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Harrods Car Bomb Kills 5, Injures 91

IRA Says Attack Was Unauthorized,
Pledges There Will Be No Repetition.

LONDON—The Irish Republican Army said Sunday its guerrillas planted the car bomb at Harrods department store that killed five persons and injured 91, but it apologized for the civilian casualties and promised it would not happen again, according to The Press Association.

In a statement, identical to the British domestic news agency from the IRA's publicity bureau in Dublin, the outlawed paramilitary organization said its "volunteers" had planted the bomb, but without authorization from its high command.

"We regret the civilian casualties, even though our expression of sympathy will be diminished," said the statement from the Irish Republican Publicity Bureau, run by the IRA's legal-political wing, Sinn Fein.

"We have taken immediate steps to ensure there will be no repetition of this type of operation again."

The statement blamed London police for not acting sooner to evacuate the area after the IRA "volunteers" gave a 40-minute specific warning.

The Home Secretary, Leon Brittan, warned Sunday, "We must not assume that this is the end of it," and radio reports said ports and airports were being watched and checks made on suspected IRA sympathizers.

The IRA said it was also responsible for a Dec. 17 bombing of a British army barracks at Woolwich, London, in which four soldiers and a civilian were injured.

Dead Lie in Street

Earlier, Jon Nordheimer of the New York Times reported:

The Harrods bomb exploded in a street crowded with Christmas shoppers.

The dead lay with the wounded on the rubble-strewn street as the



A wounded London policeman and colleagues stand outside Harrods after a car bomb exploded at the store.

remnants of the explosive-laden car and others caught in the blast burned fiercely.

Some of the injured, covered with blood and stunned by the explosion, sat numbly waiting for help.

Among the dead were a police sergeant and a policeman who had responded to a telephoned report received minutes before that a bomb was in the area. Several other policemen were injured, three seriously. Fourteen civilians were also among the seriously wounded.

Prime Minister Margaret Thatcher, visiting the scene Saturday night, described the bomb attack as a "wicked crime against humanity and a crime against Christmas, too."

"It's difficult to understand the minds of people who can do that," she said. "There are very evil people in our society and we have to do everything we can to catch them."

It was the worst terrorist attack in London since IRA bombs killed 11 British soldiers in two separate incidents in July 1982.

In one of these attacks, a bomb planted in a car went off as members of the Queen's Household Cavalry rode through nearby Hyde Park.

After the blast, cut and bleeding shoppers, including children, stumbled into Brumpton Road, where traffic was thick with taxicabs and double-decker buses.

The attack came on what officials said appeared to be the busiest shopping day of the Christmas season. Thousands of people were inside the five-story department store and milling on the streets outside when the blast occurred shortly before 1:30 P.M.

Scotland Yard officials said the explosives had been placed inside a car parked on a side street named Hans Crescent. The officials said they suspected that the bomb had been detonated by remote control.

As a squad of police officers began a search for it.

The London authorities had been warned that the IRA planned a pre-Christmas bombing campaign. Earlier in the week a bomb was discovered in the Kensington High Street shopping district and detonated harmlessly by a bomb squad.

The busy shopping district surrounding Oxford Circus about a mile and a half to the east was evacuated after the police received a call saying a bomb had been planted there.

Twenty minutes before the bomb

went off, Harrods employees were alerted to the possibility of danger. But no attempt was made to evacuate the store itself, according to store employees.

One Harrods shopper, Harry Asprey, had just stepped outside the store with his wife and two children when he paused to light a cigarette.

"As I did so the world seemed to come to an end," Mr. Asprey said after being treated at one of the hospitals that received the injured.

"I found myself lying on the pavement in deep glass, and Christine and the children were lying in the roadway. The police picked them up and rushed them away."

While there was panic outside, shoppers inside the store quickly quieted down and began an orderly evacuation, a staff member said.

"It could have been terrible with all the children trampled in that crowd," said the clerk, who did not give her name.

"It was the week before Christmas, and we're told to expect something might happen," said another clerk. "But we never thought they'd do it with so many children about."

Police said that one of five killed in the bombing Saturday was an American whom they identified as

Ruling Liberals Lead in Japan, But Slip Below Election Goal

By William Chapman

TOKYO—With most of Japan's rural vote tabulated, the ruling Liberal Democratic Party held a lead in results of Sunday's parliamentary elections, but it appeared to be slipping below its target of at least 270 seats in the 511-member lower house.

Party leaders by television reported Sunday night estimated that the party held 265 seats, but it needed 286 to form a majority, however, the party's majority was dissolved late last month.

With 341 of the 511 seats accounted for Sunday night, the Liberal Democrats had won 192 seats, the Socialist Party had won 81 and the rest were shared by other opposition parties and independents. Tabulation of the voting will not be completed until midday on Monday.

Kakuei Tanaka, the convicted former prime minister, was re-elected on the biggest vote of his career. Mr. Tanaka trounced a challenger in what had been billed by the news media as a referendum on political ethics. He thus assured himself of a continuing powerful role in Japanese politics.

Susumu Nakai, the top executive of the conservative, business-oriented Liberal Democrats, acknowledged that he was dismayed by the trend of the voting. But he predicted that the party would end up with about 265 seats, enough to control the more important committees.

The Socialist Party appeared to be faring well in its first election under new leadership, and another opposition party, the Komeito, or Clean Government Party, had also registered gains.

Several veteran Liberal Democrats lost their seats, including the



Yasuhiro Nakasone

current ministers of education and labor.

Prime Minister Yasuhiro Nakasone easily won his seat but had fewer votes than one of his major intra-party foes, former Prime Minister Takeo Fukuda, in their multi-seat district.

The day's biggest surprise was the size of Mr. Tanaka's victory. He received about 220,000 votes, which is about 80,000 more than he



The mother of a girl killed in the discotheque fire cries as her daughter's casket is closed.

79 Die in Madrid Discotheque Fire; Panic Sets Off a Stampede for Exits

By John Darnon
New York Times Staff Writer

MADRID—Seventy-nine persons died and at least 21 were injured as a result of a fire in a popular basement discotheque with hundreds of young people.

The police and survivors said most of the victims were asphyxiated in the fire early Saturday morning as they fought to reach the street-floor exits of the dance hall, the Alcala 20, in central Madrid. Earlier reports said 82 persons had died.

The crowd stampeded up narrow staircases. An employee said one of the doors on an upper floor was locked, and others noted that a major exit shared with the lobby of a theater in the same building had been closed by an iron grill. It was smashed during the fire, and scores of screaming young people poured out onto the street.

"We had to beat our way out with our fists because people were panicking and couldn't control themselves," a survivor said.

The cause of the fire and the safety standards are being investigated by a magistrate, which is usual after a major disaster.

[Four of the discotheque owners were questioned Sunday by the investigating magistrate, who has until Tuesday night to decide whether to order them remanded in custody, Reuters reported. A fifth partner was being sought by police on court orders.]

The fire broke out shortly before 5 A.M. as the discotheque was preparing to close. The music had already stopped when smoke was seen behind a plastic stage curtain. Waiters grabbed extinguishers in an attempt to douse the blaze. It

Ear Is Sent By Bulgari Kidnappers

ROME—The kidnappers of an owner of the Bulgari jewelry store and her son told the family Sunday where they could find a severed ear, shortly after the abductors issued a photograph showing one of the captives with a head wound.

It was the first statement from the kidnappers since Anna Bulgari Calissoni, an owner of the international chain of Bulgari stores, and her 17-year-old son, Giorgio, were taken from their country home south of Rome on Nov. 19.

The kidnappers called the Rome newspaper Il Messaggero on Saturday night with instructions to look for a photograph and two letters in a trash can in central Rome.

Police said the Calissoni family received a call Sunday morning telling them to pick up a package, which contained an ear, from a separate letter bin.

The photograph showed the two captives chained together, with the barrel of a gun pressed to the left temple of the mother, Mrs. Calissoni wore a scarf covering both ears and her son had a wound on the right side of his head.

In one letter, a handwritten note in block letters, the kidnappers said "this is our response—see the photo—to the so-called blocking of assets by the court."

The reference was to a court order obtained last week by magistrates to stop a ransom payment by placing the assets of Mrs. Calissoni's family under judicial control.

"We also add that if in case the entire ransom is not paid within the terms established we will do away with the hostages," said the letter, signed by a group called Communists of the Attack. The amount of the ransom demand has not been disclosed.

The second letter was an appeal by Mrs. Calissoni to Pope John Paul II to intervene. "I pray you to intercede in a discreet and unofficial way with my family, that they may free us from this torment and allow us to regain human dignity," the letter said.

Mrs. Calissoni owns the Bulgari jewelry business with four of her cousins. The chain has stores in New York, Monte Carlo, Geneva, Paris and Rome.

Gianni Bulgari, a first cousin of Mrs. Calissoni, was kidnapped in April 1975 by a gunman who forced his car to stop on a street in Rome. He was released unharmed a month later, after his family paid a ransom reported to be almost \$2 million.

In 1973, kidnappers cut off the ear of John Paul Getty 3d, grandson of the U.S. oil magnate, to convince his family to pay a ransom after he was abducted in Rome. He was freed after six months when his family reportedly paid a \$2.8-million ransom.



Anna Bulgari Calissoni, with a gun held to her temple, and her son Giorgio, in a photo released by their kidnappers.

Israel Boats Shell Tripoli As PLO Prepares Pullout

By Herbert H. Denton
Washington Post Staff Writer

TRIPOLI, Lebanon—Israeli gunboats shelled positions of Yasser Arafat's forces along the harbor here Sunday evening, as the Palestinians made preparations to leave Lebanon.

According to reports Sunday evening, some houses were burned and several people injured in the shelling. Ambulances took victims to hospitals about a half hour after the gunboats fired. The shelling lasted for about five minutes.

Periodically over the past 10 days, Israeli ships have fired on Palestinian positions here. The attacks appear to have been aimed either at delaying the evacuation of the guerrillas or at denying to Mr. Arafat an apparently triumphant exit following his military loss last month to Syrian-backed rebels opposed to his leadership of the Palestine Liberation Organization.

The shelling at dusk Sunday came as Mr. Arafat and his 4,000 troops expected within hours the arrival of five Greek ships that are to carry them to Tunisia and North Yemen.

The departure is set for Monday or Tuesday, according to an Arafat spokesman, although there were reports that the loyalists still had to work out a prisoner exchange with the rebels before they left.

It was not known whether Israeli gunboats offshore would try to block the evacuation. Last week, Greek authorities indicated that they had received guarantees from

Philips Discloses Plans To Widen Grundig Link

By Axel Krause
International Herald Tribune

PARIS—Philips, the Dutch electronics group, plans to take over management of Grundig, West Germany's largest consumer electronics company, next spring, company executives said Sunday.

They said Philips is also seeking to increase its shareholding in Grundig beyond the 24.5 percent acquired in 1979.

The expanded relationship, which is expected to become effective April 1, follows several months of negotiations. The agreement will require approval of the West German Cartel Office in Berlin.

The goal is to develop what Grundig and Philips executives repeatedly have described as a "European solution" to intense Japanese competition in the field of consumer electronics. The combined sales of Philips and Grundig total the equivalent of more than \$15 billion.

Company officials declined to confirm or deny published reports in West Germany that Philips intended to increase its shareholding to more than 50 percent. The reports also said that, as part of the transaction, Philips had already paid 150 million Deutsche marks (\$54.2 million) to Max Grundig, the company founder. Mr. Grundig and his family control 75.5 percent of the company shares through the Max Grundig Foundation.

A Philips official at the company headquarters in Eindhoven, the Netherlands, said Sunday that Mr. Grundig would step down from managing the company and that a limited liability company would be

established to take over control of the Grundig group from the foundation.

In the current negotiations, Philips, in partnership with a group of European banks, is expected to acquire a share in the new company of more than 25 percent, representing a blocking minority, but this share will probably be increased.

The negotiations are still going on," the Philips official said. He declined to say what shareholding Philips was seeking and to identify the banks.

Under West German law, the acquisition of a block of shares equal to more than 25 percent of a company's equity requires approval by antitrust authorities. But a Grundig spokesman said the latest Philips proposal should not pose a problem.

In 1979, the Cartel Office rejected Philips' offer to purchase a 30-percent shareholding in Grundig in 1979 on the ground that it would give the two companies a dominant position in the European consumer electronics market.

The Cartel Office in March rejected an offer by France's nationalized Thomson-Brandt to acquire 75.5 percent of Grundig for an estimated 800 million DM, amid strong opposition from West German business, union and political leaders.

West German antitrust authorities did, however, approve Thomson's subsequent purchase of a 75-percent shareholding in Telefunken, a smaller German consumer electronics company and an affiliate of the ailing AEG-Telefunken.



Red Cross officials wave as wounded Palestinians leave Tripoli aboard an Italian ship.

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AMERICAN TOPICS

On the Move
After Age 60

Elderly Americans are pulling up roots and moving to other states in dramatically increasing numbers, according to a major, still-unpublished government study. From 1970 to 1980 almost 1.67 million Americans over age 60 migrated to other states, nearly half going to Florida, California, Arizona, Texas and New Jersey. Although the elderly have moved to sunnier climes for years, one researcher, Dr. Charles F. Longino Jr., says the new study shows "a staggering increase" with major implications for social policy, service industries, housing and land values.

"These mobile elderly have more money, are better-educated and are more comfortable about the idea of moving than any previous group of retirees in history," said Dr. Longino, a gerontologist and director of the Center for Social Research in Aging at the University of Miami. "We suspect that they are moving primarily to improve their lifestyle."

Based on census data, the review of migration among the aging from 1960 to 1980 is among the most ambitious studies of mobility patterns ever undertaken. The National Institute of Aging, a division of the National Institutes of Health, is underwriting the project, which is expected to be completed next August.

Home Computers

For the Stocking

Their prices are down, and millions of Americans are lured by their uses and fearful that their children will be deprived without them. Home computers are selling in numbers beyond even the most optimistic predictions, and The New York Times calls 1983 "the year in which the home computer will join the sled and the bicycle under the Christmas tree."

Future Computing Inc., a market forecasting company, expects 2.5 million home computers to be sold this year, twice as many as in 1982. "Last year computers were new, unique and expensive," said Egil J. Jolissen, the company's president. "This year they're cheap, and they have become the gift."

In addition to the general effects of a bruising price war, Texas Instruments' decision to drop its 99-4A computer brought record low prices on that model: \$49 in some stores, compared to \$1,100 four years ago. "To today's economy, it's nearly a stocking stuffer at \$50," David Lawrence, computer analyst at Montgomery Securities in San Francisco, said of the 99-4A.

Home-Grown Caviar

Luring Gourmets

U.S. caviar prices are at their lowest levels in six years, and some gourmet retail stores are selling caviar at cost or below, as a loss leader. Caviar selling for less than \$80 a pound (454 grams), most of it produced in the United States, has cornered much of the market, outselling 6 to 1 caviar from Iran and the Soviet Union, which costs about twice as much.

Silt, import prices have fallen as well, with the resumption of steady supplies from Iran and ample quantities from the Soviet Union. The wholesale price of the most expensive caviar, from the beluga sturgeon, has dropped to a six-year low of \$180 a pound from \$275 in 1982. Retailers charged as much as \$400 last year for a standard 14-ounce tin of beluga. Now the price is \$145 to \$195.

John P. Roberts, president of Romanoff Caviar Co., one of the largest caviar importers in the United States, said retailers sold more than 600,000 pounds of caviar last year, up from about 210,000 pounds six years ago. The Iranians' and Russians' share of the U.S. market has fallen from almost a third in 1977 to a tenth last year.

Americana

The U.S. Bureau of Land Management plans to start an armed ranger force to patrol isolated federal lands in the West. David Howard, the bureau's chief law enforcement agent in California, said bikers, bunters and others have been frightened off public lands by shunt-gun-wielding marijuana growers in some areas, and that federal property is being stolen by timber rustlers. The bureau manages the federal lands that are not run by the military, the National Park Service or the Forest Service.

Ads by Celebrities

Make Little Dent

Although celebrities plug many products and services in print and broadcast advertising, they have little influence with the buying public, according to the trade journal Advertising Age. The magazine based that conclusion on the results of a telephone poll of 1,250 adults conducted by a Nebraska research organization. Almost two-thirds of the respondents said they did not believe that celebrities actually used the goods or services they endorsed.

Bill Cosby emerged as the most memorable of the entertainers, sports figures and others who make advertisements. Asked which of the celebrity ads they had seen or heard in the last month came to their minds first, the largest number, 105, cited ads featuring Mr. Cosby, who plugs Coca-Cola, Jell-O dessert and Texas Instruments products. Lee Iacocca, the Chrysler Corp. chairman, followed with 56 mentions.

Conservation Pays

But Costs Heat Up

Responding to high energy costs, Americans have insulated their houses, bought more efficient heaters and appliances, and learned to live with colder homes in the winter, the Energy Department's Energy Information Administration reports. Energy bills, however, keep going up.

The average household's energy consumption for heating, cooling and electricity went down 17 percent between 1978 and 1981, though 1981 was a colder year than 1978, the agency said. But the average home's monthly energy bills rose about \$300 in the same period, to \$1,022, said the agency's administrator, J. Erich Evered.

Mr. Evered noted that in 1973, the year of the Arab oil embargo that sent oil prices soaring, 85 percent of U.S. houses were heated to more than 70 degrees Fahrenheit (22 centigrade). By 1981, only half the homes had thermostats set at more than 70 degrees.

Mondale Finishes Year
Of Early Campaigning
With Substantial Lead

By Bill Peterson

Washington Post Service

WASHINGTON — Former Vice President Walter F. Mondale will go into 1984 with a commanding lead over his seven rivals for the Democratic presidential nomination, according to recent surveys of public opinion and party leaders.

The surveys, taken near the end of a year of campaigning, indicate that Mr. Mondale holds a widening lead over Senator John Glenn of Ohio, his closest challenger, and that there has been little recent movement among other contenders.

The indicators include public opinion polls by The Washington Post-ABC News and the George Gallup organization, a survey of Democratic Party leaders by the National Journal magazine and interviews with campaign strategists.

Mr. Mondale's showing has won him new respect from President Ronald Reagan's re-election campaign, and Reagan strategists say they believe that he is likely to win the Democratic nomination.

The Washington Post-ABC poll, taken Dec. 9-13 and reported at the end of last week, found Mr. Mondale leading Mr. Glenn 49 percent to 23 percent, with the rest of the field far behind. In addition, the survey found Mr. Mondale running stronger than Mr. Glenn against Mr. Reagan for the first time since last winter.

"What this shows is that when the curtain went up and the lights went on in September, Mondale performed very well," said Peter Hart, a pollster for Mr. Mondale. "Glenn had a very bad quarter. He has gone through a rocky-jerky period."

The Glenn camp disputes this analysis. "What the polls indicate is there's a lot of shakiness in the electorate. People's preferences seem to shift month to month," Mr. Glenn's press secretary, Michael McCurry, said. "We consider this an opportunity for John Glenn."

However, William Hamilton, a Glenn pollster, said he was shocked by the movement to Mr. Mondale in the Gallup poll because it came without "a major press blitz" and did not conform with the results of recent polls he has done in early primary states.

"This is odd," said Mr. Hamilton. "To a sense, I can't explain it." The National Journal survey of Democratic Party leaders in the 50 states, published in the weekly's current issue, found that "the contest has, for all practical purposes, boiled down to a struggle between Mondale and Glenn with the former vice president pulling away and solidifying his lead."

"Mondale is said to be leading in at least 23 states and Glenn in six, with 13 states a toss-up, seven uncertain, and one, South Carolina, supporting favorite Sen. Ernest F. Hollings," it reported.

"We're stronger than we ever expected to be at this point," said Jim Johnson, chairman of the Mondale campaign. He attributed Mr. Mondale's standing to his success in winning a string of endorsements and straw polls.

Campaign managers for Senator Alan Cranston of California and Gary Hart of Colorado agree that Mr. Mondale has the upper hand at the end of 1983. "He has made no mistakes," said Mr. Cranston's manager, Sergio Bendixen, adding that Mr. Glenn "has gotten weaker rather than stronger the last six months."

"I thought for awhile I'd rather face Fritz [Mondale] than Glenn" once November, the general chairman of the Republican Party and head of Mr. Reagan's campaign, said in an interview last week. "But now, I look at the organization Mondale has and the political coalition he has put together and how successful he's been, and I'm not so sure."

Pollsters caution that the electorate has been extremely volatile all year and that Mr. Mondale's current standing merely reflects the results of preliminary campaigning. Voting will not start until late February with the Iowa party caucuses and the New Hampshire primary.

But the polls have left a clear impression in the political community. The Gallup poll, taken Nov. 18-21 and released Sunday, showed Mr. Mondale with a 47-percent to 19-percent lead over Mr. Glenn. The 28-percent-point advantage was the largest recorded in six Gallup surveys this year. As recently as late October, Mr. Mondale led by only 11 points, 34 percent to 23 percent.

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PHILIPPINE RALLY — A demonstrator burns a portrait of Imelda R. Marcos, wife of President Ferdinand E. Marcos, at Manila's Rustan department store. Protesters said the store owners were close to the regime.

U.S. Proposing Casinos
Name Big Cash Gamblers

By Robert L. Jackson

Los Angeles Times Service

WASHINGTON — The Treasury Department, in a move against drug traffickers who "launder" their funds through gambling casinos, is drafting regulations that would require casino owners to identify their biggest cash customers, as banks must do.

The proposed rules would classify gambling casinos as "financial institutions" under the federal Currency and Foreign Transactions Reporting Act. As such, Treasury officials said, casinos would have to file reports identifying any customer who deposited or withdrew \$10,000 or more in cash.

Drug traffickers have repeatedly used casinos to exchange hundreds of thousands of dollars, often buying chips with small bills and redeeming them for bills of larger, more convenient denominations, according to Assistant Secretary of the Treasury John M. Walker Jr.

The proposed rules have upset some casino owners, and Senator Paul Laxalt, a Republican from Nevada, one of the two states where casino gambling is legal, has sought to delay their being put into effect.

"I'm certainly not going to be in a position of protecting drug-money launderers," Mr. Laxalt said.

"But the message I get uniformly in Nevada is 'that the proposed new rules are not justified and could impair the casino business. Owners say it would hurt them substantially by frightening away customers.'"

Mr. Walker said Treasury officials had met with casino owners as part of a study of the currency act, which has been used to identify narcotics dealers moving large amounts of cash through banks.

"We want to bring casinos under the umbrella of this act," Mr. Walker said, "and we can do so without congressional action. The government has a legitimate interest in knowing of individuals who have large amounts of cash, which is the indispensable tool of the drug trade."

58 Held in Italy Crackdown

The Associated Press

MESSINA, Sicily — In police raids in several cities, 58 persons suspected of having Mafia connections have been arrested and charged with illegal possession of drugs and arms, authorities said. In Bologna, Rome, Reggio Calabria and Messina, police on Saturday seized heroin and cocaine, heroin-refining equipment and caches of arms, the authorities said.

U.S. Group Finds Abuses
Of Rights in Philippines,
Accuses Regime of Role

By Robert Trumbull

New York Times Service

MANILA — An American group that came here three weeks ago to investigate human rights conditions in the Philippines found a "continuing pattern" of abuse, much of it attributable to agents of President Ferdinand E. Marcos's government, the group says.

The three-member investigating team left for the United States Saturday with notebooks that were said to contain first-hand accounts of torture and other abuses in detention camps, along with scores of unsolved murders attributed to government security forces.

The findings will be the basis of a report to the American Association for the Advancement of Science, the American College of Physicians, the American Public Health Association, the American Nurses Association and the Institute of Medicine of the National Academy of Sciences, which jointly sponsored the survey.

The team members are Dr. Jonathan Fine, president of the American Committee for Human Rights; Dr. Robert S. Lawrence, director of the Harvard Medical School's Division of Primary Care, and Eric Stover of the Committee on Scientific Freedom and Responsibility of the American Association for the Advancement of Science.

The team's general conclusion was that "there has been a continuing pattern of gross violations of really very basic human rights, much of it induced by agents of the state."

The group had made formal requests for assistance in its investigation. But the members proceeded on their own after officials in Manila had ignored the request. They visited seven military detention camps and spoke to local commanders, other government workers, members of the clergy and citizens.

Besides talking to persons who said they were victims of brutal treatment by security authorities in Manila, members of the group visited rural areas of Luzon, cities and towns on the large southern island of Mindanao, and Samar, Leyte, Cebu and Negros in the Visayan Islands of the central Philippines.

Wherever they went, they said in a group interview, they heard similar charges that the authorities had denied basic rights.

Requests by team members for interviews with the minister of national defense, Juan Ponce Enrile, and the minister of justice, Ricardo C. Puno, were unsuccessful, they said. But they did have a meeting

with the minister of health, Jesus C. Azurin. They learned later, they said, that officers had been ordered by Mr. Enrile's office to refuse to talk to the investigators.

Members of the team, traveling separately, heard accounts of severe beatings, tortures by electrical devices, repeated submersions in water and suffocation by plastic bags. These were said to have been inflicted on numerous Filipinos arrested on suspicion of subversion.

The team members found what appeared to be a uniform practice by the military of harassing, with arrests or threats, members of the clergy, religious lay workers and volunteers engaged in rural projects. It seems that people who work with peasants are assumed to be "in league with the Communists," a team member said. The same approach by the military appears to apply in slum areas of Manila, he added.

Marcos Sees a Plot
By Middle Class,
Church Leaders

United Press International

MANILA — President Ferdinand E. Marcos on Sunday accused the Roman Catholic clergy and the middle class of joining in a plot to topple his 18-year-old regime.

Mr. Marcos told reporters in the mountain resort of Baguio, 130 miles (208 kilometers) north of Manila, that a Communist document, "which fell into the hands of government authorities," had referred to the existence of such a plot.

In his remarks, which were reported by local television, Mr. Marcos added that the Communist document had decreed "the clergy-bourgeois clique trying to take over political power." He said the party had asked that its members not to participate in or "have anything to do with" the alleged plot.

Mr. Marcos said authorities were still investigating the document. He gave no further details.

The charge came amid continued protests against the Marcos government over the assassination on Aug. 21 of Benigno S. Aquino Jr., an opposition leader who, the government says, was murdered by a man with Communist ties. The middle class has been among the main groups to challenge this claim in demonstrations, and the Roman Catholic archbishop of Manila, Cardinal Jaime L. Sin, has urged Mr. Marcos to seek national reconciliation or face upheaval.

U.S. Panel to Ask End to A-Accident Liability Curb

By Milton R. Benjamin

Washington Post Service

WASHINGTON — The Nuclear Regulatory Commission plans to recommend to Congress Monday that it eliminate the \$570-million limit on the liability of power companies for damages resulting from an accident at an atomic power plant, it has been learned.

The commission, in urging that there be no limit to the public's right to compensation for injuries and damages caused by a nuclear accident, said the present law unfairly shifts the risk of losses from

utilities to accident victims and the federal government.

The commission also will propose that the statute of limitations for filing a liability claim arising from a nuclear accident be extended from 20 to 30 years.

The panel has concluded that, since cancers resulting from exposure to radiation generally take a long time to develop, a 20-year statute of limitations "is probably not sufficient to permit the identification of all latent injuries."

A report that calls for a revision of the 26-year-old Price-Anderson

Act is to be presented to Congress on Monday. The Price-Anderson Act limited accident liability in order to encourage the growth of a civilian nuclear power industry.

The commission's report was circulated to several congressmen Friday. A copy was obtained by The Washington Post.

Under pressure from the industry, the commission eliminated from a draft of the report government estimates that the most severe possible accident at a nuclear plant, however improbable, could result in thousands of deaths and

billions of dollars in injury and damage claims.

But the final report says, "There remains a very low probability of a very high-consequence accident that could result in public liability claims well in excess of the present amount" of available insurance.

As a result, the commission will recommend that Congress "substitute an annual limitation" for the present absolute ceiling on liability for accidents.

It will propose that Congress amend the law to permit all utilities operating nuclear power plants to be assessed "\$10 million per reactor, per incident, per year" until all claims resulting from any major nuclear accident are paid.

With 82 atomic plants now in operation, this would mean that the insurance pool available to pay accident claims would be about \$820 million a year. The total would increase to more than \$1 billion a year as reactors nearing completion begin generating power.

This pool would replace the current fund of \$570 million, which consists of \$160 million in private insurance that would be supplemented with \$410 million raised through a one-time assessment on utilities of \$5 million per reactor in case of an accident.

The current law provides that if damages exceed the \$570-million limit, further payments would require action by Congress.

The only accident that caused the Price-Anderson Act to be invoked was in 1979, when families with pregnant women and preschool-age children were evacuated from a five-mile (eight-kilometer) area around the Three Mile Island nuclear plant in Middletown, Pennsylvania. A total of \$28 million was paid from the insurance pool as a result of that accident, which was caused by a failure in the cooling system of one of the reactors.

Congressional Study Disputes Findings
On Cancer in U.S. Atom Bomb Veterans

By Robert L. Jackson

Los Angeles Times Service

WASHINGTON — A new congressional study disputes the controversial findings of a scientific group that concluded last summer that no unusual levels of bone marrow cancer were found among former U.S. servicemen who entered the atomic-bombed Japanese cities of Hiroshima and Nagasaki after World War II.

The Office of Technology As-

essment, an independent arm of Congress, said that the study by the National Research Council was open to question. The council is the operating arm of the National Academy of Sciences.

"We believe that the council's conclusion that there is no excess of multiple myeloma [in these servicemen] while it could be true, cannot be confirmed by the available data," John H. Gibbons, OTA's director, said in a letter to Representative Paul Simon, Democrat of Illinois, who had requested the congressional review.

Mr. Simon said in releasing the congressional report Saturday that "veterans deserve complete and accurate information about the health effects that can stem from their service under these conditions and the Pentagon-funded evaluation [the council's study] is a disservice to that obligation."

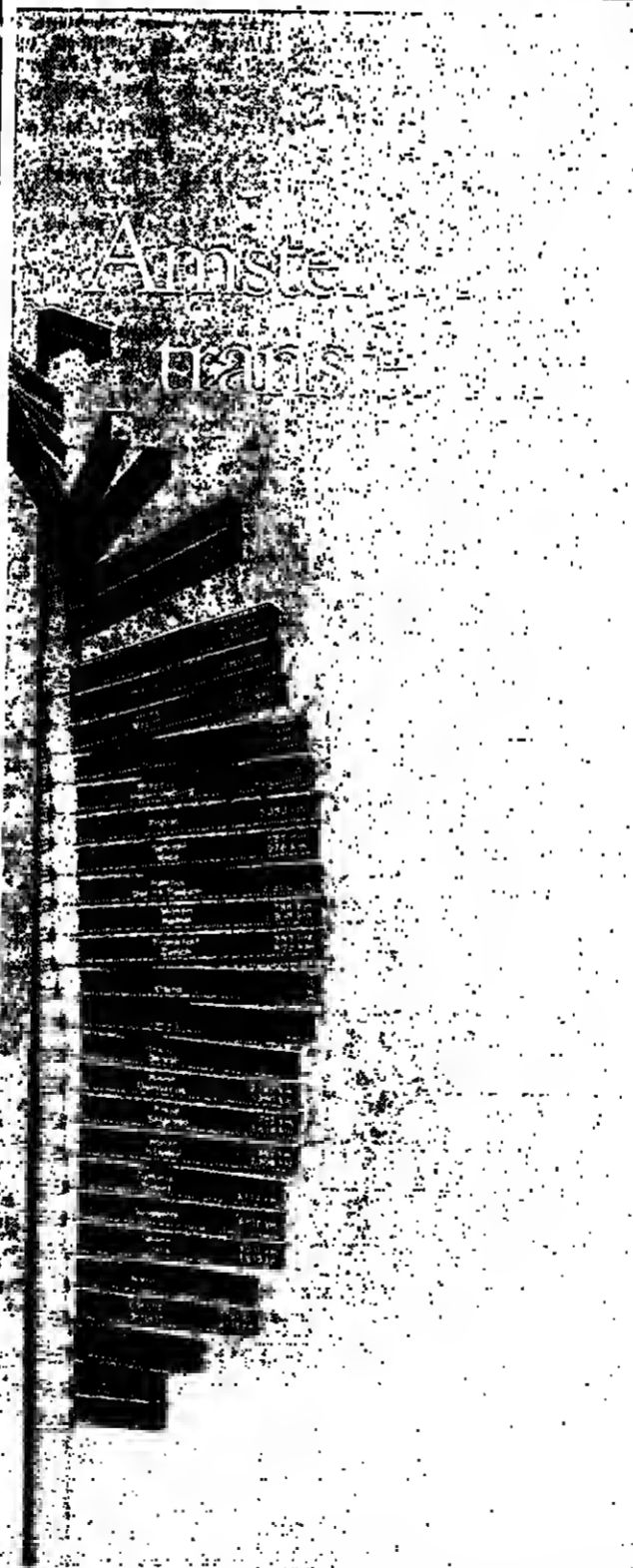
The earlier study, funded by the Defense Nuclear Agency, a branch

of the Department of Defense, was sharply criticized by the National Association of Atomic Veterans, a group that says it represents the interests of former U.S. occupation troops in Hiroshima and Nagasaki.

A council committee headed by the Veterans Administration physician, Victor Herbert, said it had confirmed nine cases of multiple myeloma among 1,187 veterans who answered a Department of Defense hot line or a survey of the atomic veterans group. It did not look beyond those groups for other victims.

"This number is smaller than would be expected," the council report said.

Gail Porter, a representative of the National Academy of Sciences, declined immediate comment on the criticisms by the Office of Technology Assessment, saying the academy would first have to study the report.



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U.S. May Have Misjudged Soviet Arms Talks, Officials Say

By Walter Pincus

Washington Post Service

WASHINGTON — The Reagan administration may have miscalculated Soviet determination to build up nuclear weapons and delay resumption of arms talks in response to U.S. medium-range missile deployments in Europe, according to some senior officials and foreign diplomats involved in the negotiations.

The administration is uncertain about its next move, according to these sources. Instead, Washington is waiting to see what the Soviet Union does after its refusal to set dates for resuming strategic, medium-range and European conventional arms talks because of the first U.S. deployments of Pershing-2 and cruise missiles in Western Europe.

Opinions vary, however, on how soon or whether the Russians will return to the negotiating table while they begin to implement their military response to the new U.S. medium-range missiles.

Faced with the Soviet walkouts at Geneva and Vienna, a few officials say that they may have underestimated Moscow's response to the new U.S. missiles, particularly the Pershings, which can hit targets inside Russia within 12 minutes.

One key Reagan administration official, who said that the first deployment of U.S. missiles in Europe

would force the Russians to negotiate seriously, believes that the Soviet Union will begin a major buildup of nuclear missiles in Europe and near the U.S. mainland before returning to arms control negotiations.

"We may be in for a new round in the arms race," a top Pentagon official said. "The Russians know that we are limited to 572 new missiles in Europe and they are going to triple that amount of warheads."

The U.S. negotiator at the medium-range missile talks, Paul H. Nitze, believed that the Russians would compromise if the NATO alliance stood firm and deployment became inevitable.

During the final round of talks, Mr. Nitze, in an exploratory move, raised the controversial "walk-in-the-woods" package while searching for some basis for negotiation.

Under the July 1982 proposals, which both nations rejected, U.S. and Soviet forces would be limited to 225 medium-range nuclear delivery systems in Europe, of which only 75 could be missile launchers. Within those limits, the United States would allow cruise missiles, eliminating the Pershing-2s, which are ballistic missiles.

However, according to an analysis of the negotiations recently released by the Arms Control and Disarmament Agency, Mr. Nitze's Soviet counterpart,

A. Kvitinsky, responded in November that "even if proposed by the United States, Moscow would reject the package in its entirety."

Despite public rhetoric in Moscow and Washington, the 48-page ACDA report shows that both sides made significant concessions.

West European diplomats and some U.S. officials say that, if the Russians had proposed reducing their SS-20 missiles in Europe below 100 while the United States had no missiles deployed there, pressure for such a deal might have developed within the alliance.

The final Soviet offer, to drop their SS-20s, which carry triple warheads, to 120 in Europe if the United States deployed no missiles there, was unacceptable, as was the revised U.S. position setting a limit of 420 warheads for both sides, which would have allowed 140 SS-20s. Negotiations failed because the basic Soviet position was that no U.S. missiles should be permitted in Europe.

Soviet diplomats in Washington say it will be a long time before the strategic nuclear arms talks resume. If they do, they say, it has been made clear that they will incorporate the new Pershing and cruise missiles into their calculations of the U.S. strategic force.

Moscow is not interested in doing anything that will help President Ronald Reagan's re-election, several diplomats reported, and it believes that returning to negotiations or taking part in a summit meeting next

year would serve Mr. Reagan's political purposes.

One Soviet aide said recently that he expected higher military spending in the coming years to be decided later this month at a meeting of the ruling Soviet Communist Party's Central Committee.

At a news conference in Moscow on Dec. 5, the Soviet chief of the general staff, Marshal Nikolai V. Ogarkov, said that "enhanced-range operational-tactical missiles" would be placed in East Germany and the Soviet Union "to neutralize the advantage which the U.S. hopes to achieve with the short flight time of Pershing-2 missiles."

In addition, "appropriate Soviet systems in the ocean areas and seas adjacent to the territory of the United States" would be deployed, he said. Most speculation on such systems has focused on a new Soviet long-range, submarine- or ship-launched cruise missile. But Marshal Ogarkov cautioned, "I would like to add that the possibilities of our armed forces are far from limited to missiles alone."

Though the reference was not clarified, the Russians are known to be nearing final development of their new intercontinental Blackjack bomber, which could be armed with air-launched cruise missiles. These could fly, at great cost, near U.S. borders, giving the Russians a highly visible nuclear system with a short flight time to targets.

WORLD BRIEFS

Moscow Carries Out Police Shake-Up

MOSCOW (Reuters) — The criminal investigation department of the Moscow police force is in the middle of an organizational shake-up to boost its crime-fighting efficiency and improve its public image, its new boss said Sunday.

Vyacheslav Kotov, 44, newly appointed head of the department, told the government newspaper, Izvestia, "The time has vanished in Moscow, as throughout our country, when armed gangs terrorized the population." But he added that incidences of crime in the Soviet Union were still substantial.

Since Vitaly Fedorchuk, a former KGB chief, took over as minister of the interior earlier this year, major cleanups of most branches of the police have taken place. Mr. Kotov said a recent success of the police had been the arrest of the murderer of a retired vice admiral. He gave no details of the case.

N. Korea Reveals Seizure of Japan Ship

TOKYO (UPI) — North Korea has announced that it seized a Japanese cargo ship for spying and threatened Japan with "grave consequences" unless a possible North Korean defector was returned home.

North Korean authorities at Nampo port, 40 miles (64.5 kilometers) south of Pyongyang, seized the 234-ton No. 18 Fujisan Maru and its five-man crew Thursday, apparently in retaliation for taking a North Korean stowaway to Japan in September, the ship's Japanese owners said.

In its first report on the seizure, the North Korean news agency said Saturday that both the captain and the chief engineer of the Fujisan Maru had "confessed" that the ship had "systematically" engaged in espionage. The Osaka-based Fuji Steamship Co., owners of the ship, denied the charges.

Press Unit Notes Decline in Freedom

LONDON (AP) — Press freedom is deteriorating sharply around the world, and free speech is respected on only a small part of the globe, according to the International Press Institute's annual review of 86 countries.

Commenting on the annual report of the media watchdog group, published Saturday, the IPI director, Peter Gulliver, said that the institute estimates that only about 24 countries, mainly Western, still have a free press able to criticize the government and give prominence to opposition views.

But the report criticized President Ronald Reagan's administration for continuing what it called "its assaults on freedom of information in 1983." The report cited March 11 order by Mr. Reagan aimed at curbing leaks of classified information and proposals to widen data exemption from disclosure under the Freedom of Information Act.

Walesa Relieved by Low Rally Turnout

WARSAW (UPI) — Lech Walesa, the leader of the banned Solidarity union, has said that Polish workers showed "common sense" in refusing to heed a call to attend nationwide demonstrations last Friday.

"We are fighting in a peaceful way," Mr. Walesa said Saturday in a telephone interview from his home in Gdansk. "We can't permit our people to be beaten or maimed." Mr. Walesa criticized the union's clandestine leadership, known as the Temporary Coordinating Committee, or TKK, for its calls for the rallies.

"It was the TKK that announced this call," Mr. Walesa said. "If it had been me, I would have said the workers should have waited until police disappeared from the streets." Police were deployed in huge numbers to prevent Poles from joining the rallies called to mourn protesters killed under martial law two years ago. A major demonstration was reported only in the southwestern city of Wroclaw, where police used water cannon to disperse Solidarity supporters.

O'Neill Appoints 2 to U.S. Rights Panel

WASHINGTON (NYT) — Speaker of the House Thomas P. O'Neill Jr. has appointed Mary Frances Berry, a professor of history and law at Howard University, and Robert A. Destro, an assistant professor of law at Catholic University, to the newly reconstituted United States Commission on Civil Rights, clearing the way for the eight-member agency to start work.

Until she was dismissed by President Ronald Reagan in October, Miss Berry was a member of the old commission, which frequently criticized Mr. Reagan's civil rights policies. A law adopted last month that provides for the president and Congress each to name four commission members was intended to resolve a dispute over Mr. Reagan's power to dismiss commission members.

"Busing and quotas will be on the agenda for re-examination," said Linda Chavez, the agency's staff director. On the new commission, "there is a majority of five for the president's position" against the use of busing to remedy school segregation and against the use of quotas to promote the hiring of women and members of minority groups, she said.

Spanish Communists Re-elect Iglesias

MADRID (UPI) — Gerardo Iglesias was re-elected as secretary-general of the Spanish Communist Party on Sunday, as his moderate supporters beat back a challenge from the orthodox wing of the party, quelling the comeback hopes of the former party leader, Santiago Carrillo.

Mr. Iglesias, 38, became secretary-general a year ago when Mr. Carrillo, 68, resigned the post following the party's poor showing in the October 1982 elections.

The 797 delegates, voting at the end of the five-day convention, elected a 110-member central committee dominated by Iglesias backers. The committee then re-elected Mr. Iglesias to a full three-year term by a majority of 69 votes.

China Announces New Oil Reserves

BEIJING (Reuters) — A 5,000 square-kilometer (1,950 square-mile) zone bearing rich oil and gas reserves has been discovered at the Karamay oil field in the Xinjiang region of northwestern China, the Hsinhua news agency said Sunday.

The overthrust was found following an earlier discovery of a 100 square-kilometer oil-bearing zone, it added. More than 700 oil wells have been sunk at Karamay since 1981 and 600 more will be drilled over the next two years, the agency said.

Amsterdam Sex-Club Fire Kills 13

AMSTERDAM (Reuters) — A former employee of a sex-club complex has been charged with arson after a fire at the building killed at least 13 persons and injured about 25, according to Amsterdam police. They said three men, all Israeli, were arrested in connection with the fire, but only one was charged with arson.

When the fire started Friday night, 100 to 200 people were in the building, one of the largest complexes housing sex clubs, fitness rooms and gambling places in the center of the city's red-light district, police said Saturday. Most of the people who were injured jumped from windows. Four were hospitalized, police said.

They said the 36-year-old arson suspect ran into the building shooting a pistol and spreading gasoline around. The man, who was not identified, apparently was upset because he had been asked several times to leave the complex, police said.

Smyslov Beats Ribli in Chess Semifinal

LONDON (Combined Dispatches) — Vassily Smyslov, 62, of the Soviet Union has won his semifinal match of the world chess championship and will face another Russian, Garry Kasparov, 20, for the right to challenge the world champion, Anatoly Karpov, also of the Soviet Union.

Mr. Smyslov won Saturday, when Zoltan Ribli of Hungary agreed to a draw. This gave Mr. Smyslov the half-point he needed to win the 12-game match by 6½ points to 4½. Mr. Smyslov had three victories, seven draws and one defeat in the semifinal. The two players agreed to a draw after Mr. Ribli made his 38th move a few minutes before the permitted five hours of playing time had expired.

Mr. Kasparov reached the challengers' finals Friday night by winning his 11th game against Viktor Korchnoi, a Soviet defector who plays under the Swiss flag. Mr. Smyslov and Mr. Kasparov will meet in March or April to decide the challenger to Mr. Karpov. (AP, UPI)

For the Record

At least four people were killed and seven injured Saturday in a fire in the Hyde House hotel in Manchester, police and fire brigade spokesmen said. (UPI)

Prime Minister Andreas Papandreu of Greece and President Nicolae Ceausescu of Romania urged the United States and the Soviet Union to resume talks on limiting medium-range missiles in Europe and renounce new nuclear missile deployments, Scinteia, the Romanian Communist Party's daily newspaper, reported Sunday. (AP)

Police in suburban Venice clashed Saturday with about 800 demonstrators calling for Italy to withdraw its 2,100 peacekeeping troops from Lebanon, police said. In Rome about 500 people demonstrated without incident for the withdrawal of the troops and for nuclear disarmament. (UPI)

A Malaysian Airlines jet carrying 247 people crash-landed Sunday in a swampy area near the airport in Subang, Malaysia. Officials said 27 people were slightly injured. The A-300 Airbus encountered turbulence and rain as it approached the airport, said a passenger, who thought the plane had touched down on the runway and then bounced. (UPI)

Soviet Attitudes Harden After End of Arms Talks

By Dusko Doder

Washington Post Service

WASHINGTON — The end of the arms talks in Geneva, the Soviet leadership has taken to the trenches.

A perceptible hardening of Kremlin attitudes is reflected in a renewed emphasis on self-reliance, cohesion, vigilance and the military.

NEWS ANALYSIS

The sense of encirclement and traditional Soviet fears of encirclement have produced an isolationist trend in public pronouncements.

The Russians seem to have gone into a submarine, looking at the world through a periscope and communicating via radio, a Western envoy said.

This mood has resulted from Moscow's failure to prevent the deployment of new U.S. nuclear missiles in Western Europe. The feeling in Moscow is that superpower relations have been going steadily downhill in the last three years and have yet to reach the bottom.

Western analysts here seem divided on the question how much of this is posturing by Moscow to produce a sense of crisis and how much is real, reflecting a long-term trend.

Soviet officials maintain that a fundamental change in the Soviet perception of the United States has taken place. That new perception was spelled out by President Yuri V. Andropov on Sept. 28 in a statement that now seems to mark a turning point in Soviet thinking.

Mr. Andropov questioned not the desirability but the possibility of an accommodation with Wash-

ington. He went a step beyond previous statements, who had expected him to become a permanent feature of international relations.

Many foreign observers see a link between Soviet foreign policy and the uncertain health of Mr. Andropov in a period of crisis. The combination seems to preclude any consensus except one that has its base in hard-line tendencies.

The Kremlin has invested huge political and propaganda resources to halt U.S. missile deployments in Europe. The Soviet failure has not only been humiliating but has severely constrained Moscow's choices and possibilities.

Given this situation, the collapse of the talks on medium-range nuclear missiles was a foregone conclusion. The subsequent suspension of the strategic talks and the Vienna negotiations on conventional forces reductions in Central Europe was a matter of political tactics, according to diplomats.

According to this view, the freezing of both sets of talks was a low-risk operation because the Russians apparently do not believe that any substantive headway can be made in a U.S. presidential election year.

Soviet officials offer a different view of the causes of the crisis in East-West relations. They say that the United States has sought an accommodation with the Soviet Union from time to time for tactical reasons but that this did not reflect Washington's strategic long-term orientation.

In their view, Washington's orientation has become more apparent since President Ronald Reagan came to power. A combination of Mr. Reagan's confrontational policy, his rearmament program, the scope and intensity of U.S. propaganda and intelligence activities against the Soviet Union and its allies will have the net effect of making "subsequent U.S. administrative hostages to Reagan's policy," an official said.

Washington's conciliatory signals, he continued, "are aimed at its allies and the domestic audiences — not at us." Mr. Reagan's goal now, he continued, is to break the 1972 anti-ballistic missile treaty, which would mean the collapse of the strategic arms limitation process. He added, "they are planning to do this by raising the issue of alleged Soviet violations of the SALT-2 treaty."

Another highly placed official said: "We have waited more than two years to come to this conclusion." He explained that Moscow's only option was to mobilize its resources to maintain strategic parity with the United States.

"During the past three years everything has been militarized," this official added. "The Reagan administration taught us that there is only one language that they in Washington understand — the language of military intimidation and arms buildups. Now they are going to get all that back."



ROLE REVERSAL — Two men dressed as Santa Claus rob a bank near Melbourne of 7,000 Australian dollars (\$5,970). The one in foreground stuffs a gun in his suit, the other holds a bag containing the money.

10 to Be Tried in Kuwait For Bombing Attacks

The Associated Press

KUWAIT — The Kuwaiti government announced Sunday that nine Iraqis and three Lebanese were involved in plotting and carrying out a wave of bombings last week.

Abdel-Aziz Hussein, minister of state for cabinet affairs, said after a cabinet meeting that 10 had been arrested and were scheduled to go on trial Monday. He said that they had "confessed they had plotted and carried out the explosions."

Explosives, firearms and detonators were found in three places belonging to the suspects, the minister said. Six bombs exploded in Kuwait on Dec. 12 and their targets included the U.S. and French embassies.

Mr. Hussein said the driver who rammed his explosives-laden dump truck through the U.S. Embassy gates was killed in the blast. He identified the driver as Raed Aqueel al-Badrani, a member of the outlawed Iraqi underground Dawa Movement fundamentalist party.

Another Iraqi suspect was still at large in Kuwait, Mr. Hussein said. Informal sources said all the suspects were Shiite Muslims.

Asked to confirm the number of casualties in the blasts, Mr. Hussein said "four persons were killed and 61 injured... all other casualty estimates were wrong."

■ **Envoy Predicts More Attacks**
Iran's delegate to the United Nations said Sunday that more suicide bombing attacks against U.S. in-

stallations were "inevitable" if the United States continued "terrorizing the people of Lebanon," The Associated Press reported from New York.

The delegate, Said Rajaie Khorassani, appearing on ABC television, said that his government was not involved in the attacks but predicted that the United States would suffer more of them in Lebanon.

"As long as you continue with terrorism, similar attacks are inevitable," he said. He cited the shelling by the battleship New Jersey and bombing raids by U.S. aircraft in Lebanon as examples and charged that Israel acted violently for the United States in Lebanon.

Israelis Shell Arafat Forces

(Continued from Page 1)

Ministry confirmed that France will provide an escort of warships Monday to help with the evacuation of Mr. Arafat's forces. The Associated Press reported. The ministry said the decision had been reached in keeping with an agreement with the Greek government.

The departure of Mr. Arafat's guerrillas from Tripoli began Saturday with the evacuation of 93 guerrillas seriously wounded in last month's battles with the rebels. They left aboard the Appia, an Italian vessel that has been converted into a hospital ship. Their transfer to the ship was supervised by the International Committee of the Red Cross.

Some of the wounded were carried aboard on stretchers. Others were carried on their own. They refused to resign their seat in the Diet pending an appeal of the verdict, setting events that forced his ally, Mr. Nakasone, to dissolve the lower house and call new elections.

■ **U.S. Ships Shell Syrians**

William Claiborne of The Washington Post reported from Beirut: U.S. ships fired a barrage of shells Sunday against Syrian anti-aircraft positions in Lebanon's central mountains, after two F-14 Tomcat reconnaissance aircraft were fired upon by the Syrians.

A U.S. spokesman, Major Dennis Brooks of the Marines, said the guided missile cruiser Ticonderoga and the destroyer Tattelman fired 60 rounds from their five-inch guns after the pilots of the two reconnaissance aircraft reported that they were under attack from Syrian air defense positions.

The two aircraft, from the U.S. carrier Independence, were not hit, Major Brooks said. They returned to the carrier.

It was the second time the Ticonderoga and the Tattelman had opened fire at Syrian-controlled areas of the mountains since the battleship New Jersey fired a barrage of 16-inch shells at the Syrians on Wednesday.

Soviet Computer Piracy May Have Military Aims

By Robert C. Toth

Los Angeles Times Service

WASHINGTON — The high-powered American computer that the Soviet Union recently tried to pirate out of Western Europe may have been intended to run a "factory" for making military-grade integrated circuits, according to U.S. defense officials. The Soviet Union also was trying to steal equipment for the factory, the officials said.

The very-high-speed integrated circuits are being developed in the Pentagon's highest-priority technology program — a \$600-million effort aimed at developing faster, more reliable, radiation-resistant computer chips for wide-ranging military and space uses.

A loss of the computer, the VAX-11/782, would have been devastating if the Soviet Union had been able to use it to make the high-speed silicon chips, according to American experts.

If the computer "would significantly improve the Soviet microelectronic manufacturing capability in that way, it would have an important and pervasive effect on [Soviet] military technology," according to Professor Seymour E. Goodman of the University of Arizona.

The CIA warned in a study last year that the Soviet Union "is expected to focus its future acquisition efforts on the emerging technologies related to very-high-speed integrated circuits and very large-scale integration."

Although the attempt to pirate the VAX-11/782 and related equipment was foiled, defense officials said it underscores a change in the way the Soviet Union is using sophisticated Western technology. Previously, the Soviet Union used smuggled equipment to make copies; now they also can use the technology directly.

The process of copying smuggled equipment, called "reverse engineering," took several years in the past and often condemned the Soviet Union to falling even further behind Western engineers. But now, the Soviet Union can use a U.S. computer like the VAX-11/782 to run an anti-ballistic missile fire-control system, working on a copy at the same time.

The VAX computer processes data very quickly, at more than 100 million bits a second, or three times faster than the best computers licensed for export to the Soviet Union. It also is far more reliable than Soviet bloc computers and is

built in a way that permits easy expansion.

Because of these features, as well as the many software packages available for it, the VAX computer family "has become the de facto standard within the U.S. military," according to Stephen Bryson, deputy assistant defense secretary for international economic trade and security policy.

The VAX-11/782 also can be used directly in the computer-aided design and manufacture of high-speed silicon chips; that is, to build circuits to make better computers. According to Department of Defense officials who asked not to be identified, that probably was how the Soviet Union had intended to use the VAX computer.

Officials said equipment for a chip-manufacturing facility of this kind already had been bought surreptitiously from U.S. companies by the same man, Richard Mueller, who bought the VAX computer.

Mr. Mueller, who allegedly is a KGB agent, operated a "storefront" for his pirating operation in Cape Town, South Africa, under the name of the Microelectronic Research Institute.

U.S. companies, including the computer manufacturer, Digital Equipment Corp., cooperated with U.S. authorities in exposing the piracy. Mr. Mueller, reportedly a West German citizen, disappeared in Vienna after word of the smuggling attempt surfaced.

The computer, valued at \$1.5 million to \$2 million, was seized in Sweden last month and was "the largest illegal shipment we've ever intercepted," according to William Green, deputy assistant commissioner for enforcement at the U.S. Customs Service. Later, crates of associated equipment were seized in West Germany and Britain.

Export of the VAX-11/782 to South Africa and of the smaller computers to Britain was legal, but their subsequent diversion toward Moscow was not.

Only 7 percent of U.S. chip production goes to military uses, compared with more than 90 percent in the Soviet Union, according to Dr. Edgar J. Madigan, deputy undersecretary of defense for research and advanced technology.

Department of Defense officials generally believe that the Commerce Department is too lenient in granting export licenses for high-technology equipment.

Richard N. Perle, assistant defense secretary for international security policy, said that "in excess of 150 Soviet weapons systems" contain Western technology.

Liberal Democrats Lead, But Slip Below Target

(Continued from Page 1)

received in the last lower house election in 1980. His opponent, Akiyuki Nosaka, trailed far behind with about 25,000 votes in the district, which is situated on Japan's west coast.

Mr. Tanaka was convicted on Oct. 12 of having accepted a bribe in the Lockheed scandal and was sentenced to four years in prison. He refused to resign his seat in the Diet pending an appeal of the verdict, setting events that forced his ally, Mr. Nakasone, to dissolve the lower house and call new elections.

Opposition parties and much of the news media portrayed the election as a challenge to the influence of money in politics, as symbolized by Mr. Tanaka. But voters in his district rejected that view and showed their appreciation for his ability to bring them many public works projects.

Mr. Tanaka said Sunday night he was "moved and happy" by the outcome.

Riding that tide, Mr. Tanaka now appears certain to remain a power broker in the Liberal Democrats despite his conviction. He controls the largest faction within the party, although he is technically not even a member, and has been able to influence the party's choice of the past three prime ministers. The returns Sunday night indicated that his faction will be even stronger in the next parliament.

Mr. Nakasone, who is both prime minister and party leader, was hoping for a wide victory that would give him a solid working majority. The number to demonstrate his control, according to a

consensus within the party, would be 270 seats. The returns Sunday night indicated that the Liberal Democrats would fall a bit short of that target.

In addition, the results were being closely watched for signs of support or disapproval of Mr. Nakasone's position encouraging a greater military buildup for Japan's military forces. He has argued that Japan must be prepared to shoulder heavier burdens for Asia. A large majority in the Diet would give him the political support necessary to increase next year's military budget, which will be formulated in January.

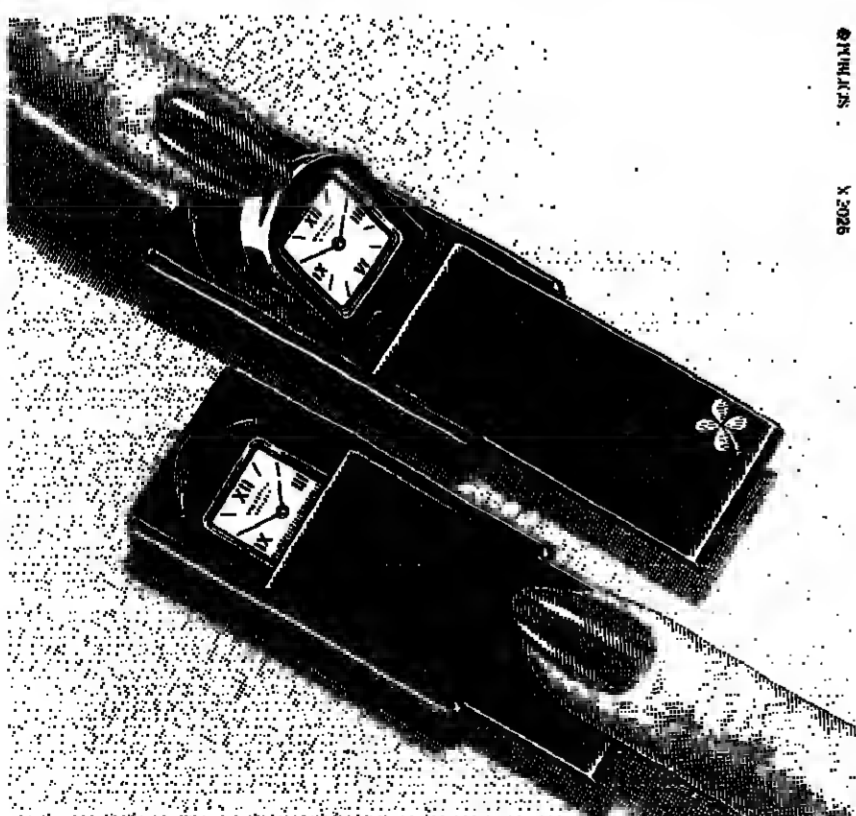
During the campaign, however, Mr. Nakasone avoided the issue of national military spending. At one stage, he indicated that he would continue the policy of holding military expenditures below 1 percent of the country's gross national product. That would provide very little leeway for Japan to procure the weapons and equipment needed to carry out a significant military buildup.

For the most part, Mr. Nakasone avoided mentioning the issue of political ethics during the campaign. Instead, his domestic platform emphasized promises of a hefty tax cut for wage earners and a sweeping reform of the education system.

Spanish Police Car Bombed

Reuters

SAN SEBASTIAN, Spain, — A policeman was badly injured early Sunday when a powerful bomb planted in his car exploded in La-sarte, south of San Sebastian, police said. In Bilbao, another bomb caused heavy damage at a bank.



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Ian Smith Continues to Defy History and Survive

Mugabe Tolerates Outspoken Former Prime Minister, Who Has No Regrets

By Glenn Frankel

Washington Post Service

HARARE, Zimbabwe — The question in Parliament was land policy. The speaker was Prime Minister Robert Mugabe. And the heckler was Ian Smith, the last white prime minister of Rhodesia, whose voice sliced through Mr. Mugabe's sentences like a knife.

"That is not true," barked Mr. Smith, sitting on the floor. "I am the black majority had been assigned to the white half of Zimbabwe."

"That was their choice," Mr. Smith added, interrupting Mr. Mugabe again.

The prime minister, a man not given to excessive tolerance when confronted with anything bordering on disrespect, eyed Mr. Smith coldly and said in even tones, "That is history."

Later, a Mugabe aide would sigh and say, "That's the way Ian Smith is. He would have been put inside jail."

Nearly four years after he was forced to surrender political power to the black majority, Ian Douglas Smith, 64, still carries on with no regrets. The hair is grayer, the face more gaunt, but the rebel who for

14 years defied Britain, most of the civilized world and the majority of his own countrymen is unbowed, if not unbent.

"I believe there are certain principles in life you have to stand for, and if I wasn't prepared to do that, then I'd get out," he said in a recent interview. "While I am in, I will do the thing correctly."

Some senior statesmen take pleasure in believing history was on their side. Mr. Smith, it would seem, takes his from knowing he defied history for so long. It took a brutal seven-year civil war and intense diplomatic pressure from the United States and Britain, whom he still accuses of betraying Rhodesia and the cause of "anti-communism," to bring down his government.

"It was a wonderful time to be living, as far as Rhodesians were concerned," he said, recalling the days of white rule. "We had the most efficient economy in the world. We did great things, and when we see how things have deteriorated since then, maybe we were right."

Zimbabwe's problems, he is convinced, can be blamed squarely on Mr. Mugabe's government, which he holds responsible for the country's deteriorating economic condi-

tion and for the flight abroad of many skilled whites. His biggest complaint, however, is with what he describes as the government's "abuse of power," the detention without trial, or even after acquittal, of political opponents and the periodic reports of torture by police eager to obtain confessions.

There is some irony in Mr. Smith's complaint for, as government officials are fond of pointing out, the authority for detaining opponents stems from emergency security laws inherited from Mr. Smith's time in power. An estimated 2,000 to 3,000 government opponents were jailed then, some for a decade. Many are now among the highest officials of the present government.

"We were at war then, fighting for our lives, so what else could we do?" said Mr. Smith in justifying those measures. He argues that Zimbabwe is not at war now and that claims by government officials that the detentions are necessary to combat South African-supported subversion are just "a figment of their imagination that they use to suppress opposition."

Mr. Smith says his political party, the all-white Republican Front, has been under steady harassment by the government. He and about

20 supporters were picked up for questioning a year ago on suspicion of holding an illegal political meeting when in fact they were attending an art exhibit. A month later, Mr. Smith's passport was seized and his house searched following a controversial trip to the United States during which he bemoaned the "rapid deterioration" back home. He says some of his papers and diaries still have not been returned.

Then there is always the possibility of jail, which Mr. Smith acknowledges but dismisses by saying, "I never allow myself the luxury of thinking about that, because fear might prevent him from speaking freely. My family and my friends worry about that; I can't."

Other opposition leaders have faded or disappeared from the scene. Joshua Nkomo, once Mr. Mugabe's main African rival, rarely appears publicly or in Parliament, apparently resigned at least for now to political obscurity after five months of self-imposed exile during which he said he feared for his life.

Bishop Abel Muzorewa, the country's first black prime minister, has been jailed for nearly two months while authorities pursue al-



Ian Smith

legations that he plotted with South Africa against Mr. Mugabe.

Only the plainspoken Mr. Smith seems to have survived intact. Part of the reason, say Mugabe supporters, is because a free Ian Smith is Zimbabwe's best advertisement in the West that its tolerance for dissent remains genuine.

Another reason is that the government is convinced that Mr. Smith's influence among his own people is fading, that he no longer speaks for the majority of whites. His party, which once held all 20 of the white-controlled seats in the 100-member Parliament, now has only nine.

Chinese Press Omission Of Remarks by Hu Stirs Speculation on His Status

By Christopher S. Wren

New York Times Service

BEIJING — The selective omission of a key remark by Hu Yaobang in China's official press last week has created confusion around the Chinese Communist Party leader.

Such omissions in the official Chinese press were read in the past for clues of power struggles and career changes under Mao. A few diplomats cautioned against drawing any hasty conclusions about the standing of Mr. Hu, whose career has been closely linked to that of Deng Xiaoping, China's paramount leader.

Mr. Hu, who has led the party since mid-1981, was quoted last Monday in the Worker's Daily newspaper as giving his first definition of "spiritual pollution" — a code word for unwelcome Western influences that have been the target of a major campaign for nearly two months.

The front-page commentary quoted Mr. Hu as saying, "Spiritual pollution chiefly refers to remarks and works of a very few people in theoretical circles and in the fields of literature and art that are harmful to the building of the four modernizations and to the stability and unity of the country."

The four modernizations refer to the modernization of China's industry, agriculture, science and technology and military.

Mr. Hu's reference to "a very few people" narrowed considerably previous government assessments of the extent of purported contamination from abroad. Another part of the commentary complained that "some people" mistook the import of Western technology and capital as examples of "spiritual pollution."

The commentary was reprinted the next day, Tuesday, on the front page of Guangming Daily, another national newspaper. Mr. Hu's definition was omitted, as were other unattributed remarks that appeared to reflect his views.

Some diplomats said they found it equally significant that Mr. Hu's definition of "spiritual pollution" was not published in People's Daily, the official organ of the party.

One diplomat said a possible explanation was that Mr. Hu did not want his views on "spiritual pollution" circulated more widely.

Another more likely explanation was that Guangming Daily deliberately dropped Mr. Hu's definition because it challenged the position of another internal faction. Mr. Hu and other leaders might be encountering resistance to an announced "rectification" campaign, or purge, of the party's radical and vernal members.

Yet another explanation was that Mr. Hu spoke out of turn in minimizing the extent of "spiritual pollution" and that an effort was being made, possibly by Mr. Deng himself, to silence him. Mr. Hu, who described himself to some journalists last year as "a man with passion and blood," has a reputation for sometimes acting impulsively.

Asked how many people live in

Last month Mr. Hu touched off a furor by saying that next year's exchange of visits between Prime Minister Zhao Ziyang and President Ronald Reagan would be reconsidered unless the United States gave a satisfactory reply to Chinese protests over U.S. support for Taiwan. After belatedly reporting his remark, the official New China News Agency substituted a vaguer version.



Hu Yaobang

A Walk Into Cambodia And a Chat With Rebels

By Colin Campbell

New York Times Service

ARANYAPRATHET, Thailand — Sometimes it is easy to walk into Cambodia to visit an encampment of guerrillas loyal to Pol Pot, the Khmer Rouge leader who was deposed by Vietnamese troops nearly five years ago.

At the Thai border village of Klong Nam Sai, eight miles (12.8 kilometers) south of here, a dirt road leads eastward into the woods. It is daylight and the sound of Vietnamese artillery can be heard in the distance. A Thai policeman makes no move to check on anyone heading for the border.

Three guerrillas are encountered just before crossing into Cambodia. They are standing unarmed outside a general store waiting for the proprietor's wife to cook noodles. When asked what her customers use for money, the woman points at some sacks of charcoal.

The walk from there into Cambodia is up a path and across a brook, past an abandoned temple, across a narrow river over a rickety footbridge and into a quiet village of scattered bamboo houses and a few larger buildings. It is called Camp No. 1, and the approach to it is unguarded. The border area just south of Aranyaprathet is one of the strongholds of guerrillas loyal to Pol Pot.

The people of the village pay allegiance to Pol Pot, whose rule over Cambodia is said to have resulted in the deaths of at least a million people before its overthrow five years ago. Today his 30,000 or more guerrillas are by far the strongest force opposing the Vietnamese-backed government.

Some Thais who have visited Camp No. 1 say it is a staging area from which guerrillas, based in nearby camps, move out to harry the Vietnamese. It is off limits to the United Nations Border Relief Operation, which supplies food and other necessities to the civilians of the other Pol Pot camps.

One guerrilla appeared to have some authority and was willing, as were some friends, to accept cigarettes and answer questions. His name was Sa Vuth, and he looked younger than the 24 years he said he was.

Asked how many people live in

Camp No. 1, he said, "We have 15,000 soldiers between here and Nong Pru."

Nong Pru is a camp opposite the Thai border village of the same name. It is 13 miles away, and there are several similar camps in between.

Sa Vuth said his camp had no school for children. "They go to Nong Pru," he said. "It's safer."

Sa Vuth also said that Camp No. 1 grew its own food.

"When there isn't enough food," he said, "the government sends us food."

By "government" he meant the leadership of Pol Pot's Communist forces and not the coalition of rebel groups to which they belong and which is headed by Prince Sihanouk.

Sa Vuth said the camp had medical problems as a result of the swamps that stretch for several miles. "This area," he said, "is a dangerous place because of the malaria. We came with medicine, but now we have too little medicine."

What did they hope to gain from their war against the Vietnamese? Sa Vuth conferred briefly with a friend and said: "We will push them back, stage by stage, in small battles. Vietnam does not have enough soldiers to stop us."

Later, Sa Vuth put on his army jacket and black sandals and led the way through the village. More guerrillas were visible than earlier. A group of half a dozen armed men in a wooden pavilion looked as if they had just come from the forest.

Cambodia's non-Communist insurgents have been warning that the Pol Pot forces, their allies in their common fight against the Vietnamese, are growing in strength and may already number 40,000.

Asked about their guns and ammunition, Sa Vuth said, "We have enough."

14 Die as Turkish House Falls

Reuters

ISTANBUL — Fourteen women were killed and 17 injured Saturday when a house collapsed during wedding celebrations in the central Turkish village of Elmazurdu, the state radio reported Sunday.

Belgium Still Paying for Waterloo

Senator Would Cancel Pension for Wellington's Heirs

Reuters

BRUSSELS — A Belgian senator is trying to stop the payment of an annual pension by the Belgian government to the heirs of Britain's Duke of Wellington, victor of the battle of Waterloo.

Senator Jean Humblet said it was "an historical anomaly" that the family should still receive 100,000 francs (about \$1,776) a year from Belgium, and he has introduced a budget amendment to halt the payments.

King William of the Netherlands gave the original duke the title of Serene Highness, Prince of Waterloo, a few months after the 1815 battle that sealed the downfall of Napoleon of France.

With the title went the fiefhold, 1,083 hectares (about 2,678 acres) at the site of the battle. Two years later, the duke sold a large amount of timber felled on the land and deposited the proceeds with the Dutch treasury.

When the kingdom of Belgium was created in 1831, its treasury took over paying interest on that deposit. Belgium still pays it today.

The current duke collects an estimated 2 million francs a year in interest from the fiefhold on the Waterloo battlefield, 25 kilometers (about 15.5 miles) south of Brussels, as well as an annuity that goes with the title, officials said.

Although the duke's privileges have often been criticized, the only known attempt to end the arrangement through negotiation occurred in 1974.

It failed because the Belgian government collapsed.

Senator Humblet said he hoped his move will force the present administration to open talks with Britain on a settlement.

But a British Embassy spokesman said, "We have always regarded this as a private matter between the duke and the Belgian government."

Senator Humblet argues that the payments violate the Belgian constitution. He also says the present Duke of Wellington is not entitled to bear the title of Serene Highness, Prince of Waterloo, since he is not the first son of the previous duke.

The original decree stipulated that the title was to be passed on by primogeniture, but the current holder of the title, the seventh Duke of Wellington, is the uncle of the sixth duke.

The Belgian constitution of 1831 empowers the king to distribute titles but states that no privilege may be attached to them, and civil law forbids the allocation of indefinite pensions.

Senator Humblet, a member of the small Walloon nationalist party, Walloon Federalists, said he hoped to win the support of the center-right majority in the Senate for his amendment.

At a time when the government is imposing tough austerity measures on the poorest Belgians, the pension to the Duke of Wellington is indefensible, he said.

Bishop, Businessman Join Nicaragua Critics

By Stephen Kinzer

New York Times Service

MANAGUA — As the Nicaraguan government embarks on a policy of accommodation with its domestic critics, two new opposition leaders have emerged who seem dedicated to liberal democracy and determined not to let the country.

One of them is Bishop Pablo Antonio Vega Mantilla from the central province of Chontales. He was recently elected to head the Nicaraguan Episcopal Conference, which governs the Roman Catholic Church here.

The other is Enrique Bolanos Geyer, chosen to head the country's largest business organization. Both have shown themselves to be adroit activists and critics of the Sandinist government.

"We sense that the moment of definition of the revolution is coming soon," said Ramiro Guardia, a businessman who helped Mr. Bolanos win election as head of the Superior Council of Private Enterprise. "We want to be sure we have the right people in there throwing the ball."

Mr. Bolanos is known as an outspoken anti-Communist who, unlike many Nicaraguan businessmen, has never supported the Sandinist movement. In the months since he took over the Superior Council, it has become one of the main centers of opposition.

When the Sandinists asked a variety of opposition leaders last month to testify about how "Yankee aggression" was affecting them, many were ready to accept. But Mr. Bolanos, 55, repudiated them not to do so, arguing that the limitations on subject matter and the low level of the commission that would hear the testimony constituted an insult to the opposition.

When the government invited Nicaraguans to return home in a decree issued two weeks ago, Mr. Bolanos argued that the decree was in no sense an amnesty since it offered no guarantees of security to anyone who took advantage of it. His sharply worded statement was published in full in La Prensa, the opposition newspaper.

Mr. Bolanos's latest idea is to test the Sandinists' proclaimed policy of dialogue by asking that the Superior Council be permitted to sponsor a daily program on radio and a weekly one on television to discuss political and economic topics. Radio news programs are subject to censorship, and the opposition has no access to television.

"The goals have changed," Mr. Bolanos said. "There was a time when we thought we could make the Sandinists come fairly close to their original government programs. But now they have made very clear that they are Marxist-Leninists who are moving toward creating a totalitarian state."

The coordinator of the Nicaraguan junta, Daniel Ortega Saavedra said of his government's commitment to Marxism: "We do not

use clichés, and we do not accept that clichés should be imposed upon us. Our citizens are profoundly Nicaraguan, though we do not deny our relationship with the universal ideology."

Bishop Vega, 64, is a critic of a different sort.

"We are not a political opposition," he said. "We are believers in any regime based on Christian values. In Nicaragua today, people feel an excessive control and are unable to realize their full human potential."

"Much of the creative dynamism of the revolution has been lost," the bishop said, "and it has been replaced by a scheme imposed from outside. The church in Latin America has a great radical potential and can be more revolutionary than any political movement because it is interested in human liberation, not power."

U.S. Alleges Maltreatment In Nicaragua

By Joanne Ormang

Washington Post Service

WASHINGTON — The Nicaraguan government has detained or arrested U.S. citizens on 110 occasions since 1979, occasionally abusing them physically, often filing no charges and only rarely notifying the U.S. Embassy in Managua, the embassy charged in a cable made public here.

The State Department released an unclassified cable, dated Dec. 2, on Friday when questioned about reports from Nicaragua of such arrests. Officials said that other summaries have been made public but that this was the first released here.

It included details on 27 incidents involving 88 U.S. citizens since Nov. 27, 1981. The Nicaraguan authorities have linked several of the incidents to U.S. support for rebels attempting to overthrow the Nicaraguan government. Several others have been reported, but most were not previously known.

A spokesman for the Nicaraguan Embassy here said it would make no comment until officials verified information in the cable, "because it could be a part of the U.S. government disinformation campaign."

Release of the cable "was not designed as a pressure ploy" against the leftist Sandinist government, a State Department spokesman said, although the government is under heavy U.S. pressure in other ways, including military attacks by U.S.-backed rebels, to widen its political process, relax press censorship and hold free elections.

who would have us wipe out testing completely at all levels.

Proportionately fewer children of workers now go to universities here than ever. Previously the selective grammar schools helped many of these young people to rise above their circumstances and go to college, including Oxford. In those days British socialists were the greatest supporters of such schools.

J.H.K. LOCKHART, London.

An Egalitarian Ethos

Regarding the report "Oxford Causes Stir in British Academy by Acting to End Alleged Entrance Bias" (IHT, Dec. 8) by Simon Cox:

Making it easier for British pupils from state schools to enter Oxford University by eliminating special entrance exams certainly seems a democratic move, but there is a little more to it perhaps. It could be seen in a wider sense as yet another sign of the anti-intellectual and egalitarian ethos that has tended to influence British educators in recent years. Indeed, there are those

U.S. Develops Laser to Blind Enemy

By Michael Schrage

Washington Post Service

WASHINGTON — The U.S. Army has developed a portable weapons system that uses laser beams to blind both enemy soldiers and optical sensors in close-range combat, according to defense industry officials.

Plans for further development of the weapons system appear to have touched off a debate within the army over the probable public reaction to the weapon.

The system, called C-CLAW for Close Combat Laser Assault Weapon, would use low-power lasers at distances of up to a mile (1.6 kilometers). The laser beam would sweep across a battlefield, permanently blinding anyone who looked directly at it.

"C-CLAW is under development and is going to be handled by Army Missile Command," said an army spokesman. He conceded that continued funding of C-CLAW has caused significant dissent in army circles because of the nature of the weapon. Officially, however, the

army denies there are any ethical qualms about C-CLAW.

C-CLAW supporters argue that a laser weapon is "odorless, quiet and deadly at a distance." For example, a tank commander surveying a battlefield with a night scope could be blinded from a mile away by a C-CLAW. Such a weapon, they argue, could cripple both the crew and the mechanical optics of enemy tanks, and would be an "instrument of terror" against opponents.

U.S. officials assert that the Warsaw Pact nations will soon deploy C-CLAW-type systems, according to one source.

The C-CLAW program is by far the farthest advanced weapon of a research effort to use lasers, particle beams and microwaves. "The majority of development funding is directed to low-energy lasers that cause blinding," according to an army source. One major drawback

is that rain or fog could interfere with the light beam and render the weapon useless.

Essentially, when laser light hits the eye, "the eye focuses the energy by a very significant factor — about 100,000 times," according to Colonel Edwin F. Beatrice, who heads the division of ocular hazards at the army's Letterman Research Institute in San Francisco. Should that intensified light strike the eye's optic nerve, a phenomenon known as photocoagulation occurs and the eye is flooded with blood. The effect, according to Colonel Beatrice, is "irreversible."

Ultimately, the army said it would like to integrate C-CLAW into tanks, light armored vehicles and helicopters. The army requested \$14 million in the fiscal year that began Oct. 1 to fund C-CLAW, according to the Defense Industry Report, and is expected to request \$20.4 million for fiscal 1985.



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LETTERS TO THE EDITOR

(continued from Page 4)

to the unhappy fate of "a village in South Africa." More appropriate and urgent would have been an editorial entitled, "A Hundred Palestinian Villages in Israel." Since 1948 the Palestinians have suffered evacuation from and destruction of villages and whole quarters of towns. The process continues.

HATEM EL-KHALIDI, Jeddah.

Cyprus Wasn't Turkey's

In response to "Cyprus Was Turkey's" (Letters, Nov. 24) from Ali Turali in Bangkok:

Mr. Turali's letter is a dangerous and provocative distortion of history.

DEATH NOTICE

Waldo J. BIELENBERG, died in Torremolinos, Spain, November 27, 1983, aged 88 years.

ry. Cyprus has a Greek civilization dating back to 3800 B.C. (in the late Neolithic Age), long before the rise of the Ottoman Empire in the 15th century A.D. or of the Turkish Republic, established in 1923.

Like many other countries, Cyprus fell victim to the Ottoman conquerors from 1571 to 1878. Does Mr. Turali, by any chance suggest that Turkey has also a claim on other territories once invaded by the Ottomans — such as Greece, Poland, Hungary, Yugoslavia, Albania, Algeria, Tunisia?

But then why not go back further to the original historical frontiers and let Greece reclaim what it owned, which included the whole of the western coast of today's Turkey?

Y. WAKEFIELD, Paris.

Pricing Nuclear Power

Regarding "Nuclear Energy: Dynamic Growth," in the IHT special report, "Oil and Energy" (Dec. 8) by Thomas R. Stauffer:

I was supposed to read in Mr. Stauffer's article that "nuclear elec-

tricity is currently the cheapest energy source available. . . . No mention is made of the long-term costs of nuclear power: nuclear waste disposal, reactor accidents and nuclear weapons proliferation. Since economists cannot precisely describe these costs, they apparently prefer to ignore them."

No inexpensive method exists for the safe disposal of long-lived radioactive wastes. Utility companies cannot afford to insure communities near nuclear stations in the event of a major accident. Several countries (Pakistan, India, Argentina, South Africa and Israel) are believed to be developing nuclear weapons with the help of civilian nuclear technology.

When the full costs of nuclear electricity are considered, it becomes difficult to imagine a more expensive energy source.

ROBERT CHETELAT, Choisy-le-Roi, France.

The Press and Marcos

The charge of former Senator Salvador Laurel of the Philippines

that President Ferdinand Marcos ordered the killing of Benigno Aquino Jr. is most irresponsible, and should not have been given publicity in your Oct. 3 editions. Did Mr. Laurel have any evidence?

The fact is that Mr. Laurel's party, the UNIDO (United Democratic Opposition) is an organization only on paper, which has no following in more than 60 provinces and 70 cities in the Philippines. Mr. Laurel is not unlike a demagogue trying hard to exploit the Aquino assassination for his personal and political advantage.

The American press should realize that it is not doing any good in printing material like those unsupported accusations of Mr. Laurel.

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Herald Tribune

Published With The New York Times and The Washington Post

A Cold Winter Ahead

The INF talks on missiles in Europe are finished, and the START talks on strategic missiles and the MBFR talks on conventional forces are suspended. Soviet and American fighting forces are engaged in Lebanon and may even be shooting at each other from time to time. The tone of discourse between Moscow and Washington rises, on good days, to a growl. Meanwhile, the word at the White House is that President Reagan has brought about a profound change in Soviet-American relations: He has cracked the Soviets' former presumption of intrinsic flaws in the democratic system and is on the way to showing them they must negotiate an arms control deal.

We hope so. Who does not wish to believe that the evident high tension in Soviet-American relations is transient and superficial, and that a real breakthrough is in the works? Still, the Reagan administration should be able to understand that for many Americans, and for many foreigners, this is an anxious moment — "brilliant," a recent Yuri Andropov statement correctly called it. We do not accept the view that the United States is sliding toward war. To reject that view, however, is a pretty pale defense of administration policy.

The president's policy is in trouble. The design and control perceived at the White House are not apparent outside. Mr. Reagan's hard line has yet to produce the results that are expected and his supporters hoped for. Gorbachev is the only "victory" he can claim so far.

Prime Minister Trudeau of Canada, during his urgent personal concern, told Mr. Reagan last week that his message of strength had got through but his message of peace had not. The administration sees a twist even in careful, friendly statements like that one. It does not

relish being held just as accountable as Moscow — by some, more accountable — for the current nervous coldness in relations between the two great powers. Not without reason, it fears that its bargaining position will be eroded by the criticisms and expressions of dismay that are widespread in the West now.

Perhaps the president has already decided that it is necessary to sit tight and show the Kremlin that he can stand off a resolute and in some places hostile public. Perhaps on its part the Kremlin has already decided that it cannot do business with the Reagan administration and will do what it can to bring it down; this is one possible reading of its diplomatic signals, its propaganda and its withdrawal from arms control talks. In this double event, both countries are in for the proverbial cold winter.

It appears to us, however, that there are certain reasonable and reassuring things Mr. Reagan could do that would not involve a surrender of an important American interest or an unbecoming and unproductive chase after the Russians. He could, for instance, order a toning down of the high rhetoric that provokes the Russians for no good purpose at all. He could state his readiness to merge the INF and START talks — somewhat a technical matter but one that would have a positive political effect, at least within the alliance. He could start planning how to use the European Disarmament Conference session in Stockholm next month to resume a high-level dialogue with Moscow. In the overall scheme of things, these suggestions are small. But at a time when broader movement has slowed, small gestures can count. Something of the sort badly needs to be done.

— THE WASHINGTON POST.

Argentina: A Bold Start

For eight years, generals and admirals terrorized Argentina with their lawless rule. Now, along with the civilian terrorists who provoked the repression, they are to be legally held to account. Argentina's newly elected president, Raúl Alfonsín, is off to a brave and bold start.

History argues for optimism. Does not the Latin pendulum regularly swing from exhausted military governments to tireless civilians? Did not generals four times replace elected Argentine regimes in the last three decades? Why be hopeful this time around?

Because for the first time in four decades a democratic election has failed to give a majority to Peronists, who too often subverted democracy. Mr. Alfonsín was the candidate of the Radical Party, Peronism's historic rival. The spell of the legendary Juan Perón and his second wife, Evita, has been weakened.

Also, the new president has moved shrewdly to exploit his mandate. The terrorism will be examined before memory fades. The trials will signify a return to the rule of law, will be fairly directed at both the right and the left and yet will let the military judge its own. The members of the last junta, who arranged for civilian rule, face no charges. And the prosecutions

will concentrate on top officers who ordered the lawless arrests, torture and executions.

Equally encouraging is Mr. Alfonsín's approach to other legacies of military rule. After the disastrous Falkland war, he seeks honorable reconciliation with Britain. And he is negotiating with foreign creditors for a more realistic schedule for payment of Argentina's crushing \$40 billion debt.

Even if he had not himself made a point of it by receiving democratic dissenters from Chile and Uruguay, Mr. Alfonsín's triumph poses a challenge to dictators throughout the hemisphere. If Brazil's democratization proceeds on schedule, the juntas may soon be in rout. There may even be a redeeming benefit in the Reagan administration's unsolicited and inappropriate inaugural gift — a lifting of the ban on arms sales to Argentina. That at least sends a clear message to the repressive rulers of Chile, Argentina's potential adversaries, who remain on the embargo list.

Mr. Alfonsín must defy history even to finish his constitutional term. He seems to be doing all he can to improve the odds, and he deserves the help of all the Americas.

— THE NEW YORK TIMES.

Other Opinion

Reagan on U.S.-Soviet Strain

I have to point out that, with all this talk about the supposed strain in relations, there is an inference that somehow it is our fault. But we didn't kill Russian citizens by shooting down a civilian airplane. We didn't attempt to conquer an adjacent country to ours. We didn't walk out on negotiations and refuse to give a date for when we would resume. If there is a strain, it has not been caused by us.

I still think we can continue to deal with [the Soviets] and resolve problems between us. The biggest problem we all face is achieving genuine peace in the world. I don't think they want a confrontation any more than we do.

— President Reagan, in an interview in U.S. News and World Report (Washington).

The London Bombers: 'Savages'

Irish republicans give the lie to the sentimental idea, Christian in origin, that in every human soul there lurks somewhere some small flame of decency. The cool barbarians who perpetrated [Saturday's] bombing in London are without that tiny compensation for their existence. They are savages of deepest die, doubtless calmly smiling now as they contemplate on television from the comfort of some IRA safe house, the bloody and inhuman consequences of their work.

Not the smallest whiff of justification can be assembled for a cause which is capable of inducing such reckless and indiscriminate savagery. The soothing voices which try to "understand" republicanism and get into the mind of the terrorist have been given their answer:

the same answer as has now rendered innocent families, eight days before Christmas, fatherless, motherless and childless. Those in America who finance the IRA barbarity should be in no doubt about what their money buys.

— The Sunday Times (London).

[The] IRA bombing of Harrods in London is an unbelievable outrage. Once again IRA murderers have demonstrated their outright depravity. I grieve for the friends and loved ones of the victims of [Saturday's] IRA terrorism, and I ask all Americans who are interested in Ireland to join me in condemning this outrage.

— Thomas P. O'Neill, speaker of the U.S. House of Representatives, in a statement quoted by United Press International.

'If We Let Ourselves Go ...'

This war will probably go down as the bloodiest year in the history of contemporary terrorism. Several thousand people will have died in terrorist incidents worldwide. But, although each death is shocking and tragic, measured against the world volume of violence the terrorist's contribution is minuscule — 20,000 people are murdered every year in America.

We must take precautions not only against terrorist attacks, but also against the psychological effects of terrorism and of the measures we take. There is no line between prudence and paranoia. If we let ourselves go, we could work ourselves up into a frenzy of fear that not even the terrorists could provoke.

— Brian Michael Jenkins, director of the Rand Research Program on Subnational Conflict, writing in the Los Angeles Times.

Reagan Seems to Turn the Russians Sour

By Joseph Kraft

WASHINGTON — The Reagan hard line has turned Russia's mood sour. The future of Soviet-American relations depends on the willingness of President Reagan to control the anti-disarmament hawks in his administration.

The Soviet's departure from the Geneva talks was straightforward enough. They left the Intermediate Nuclear Forces talks last month saying they would not return because the United States had begun deployment of modernized nuclear weapons in Western Europe. Early this month they let the START talks on long-range missiles lapse without fixing a date for a next meeting. Said the Soviet delegate, "The deployment of new U.S. missiles in Europe... makes it necessary for the Soviet side to review all problems under discussion."

The official line of the Reagan administration is that the Soviets will soon resume the negotiations. It claims that the Soviet propaganda effort against the modernized Euro-missiles failed to divide the NATO allies. In time, the theory goes, the Soviets are bound to recognize the failure. So, after a decent interval, they will begin bargaining for real.

In support of that thesis it is pointed out that the Soviets left a door open for resumption of talks. While they made conditions for reopening of INF negotiations, they made no conditions for picking up START talks again. So, it is believed, a merger of the two negotiations would open the way to an across-the-board deal.

And President Reagan's desire

for peace is invoked. A senior official said at a recent briefing: "Those of you who really know the president well... know this. You cannot sit with that man day after day without getting a sense of what he thinks is important and what isn't important. And to this man there is nothing more important than reducing the level of nuclear arms."

Two realities spoil that argument. First, the Pentagon hawks, having won the battle for deployment of the modernized nuclear weapons in Europe, are now on a rampage. They are demanding a billion-dollar "Star Wars" defense against nuclear missiles in space. They are challenging Soviet compliance with the part of the SALT-I treaty limiting ballistic missile defense. They even oppose the impulse of the arms controllers to finesse Soviet opposition to the INF talks by merging them with START. If they have their way they will leave nothing on the table that would tempt the Russians to negotiate.

Success for the hawks in those ventures would not only make arms control less interesting to the Russians. It would confirm the second reality — a negative Soviet perception of Mr. Reagan's deepest intentions. The Russians have more and more come to believe that Mr. Reagan challenges the very legitimacy of their communist state — that he seeks its dissolution.

That suspicion has fostered a change of Soviet mood that has been reported by recent American

visitors to Moscow. Sophisticated Russians acknowledge that their cause is in trouble; they admit that because of Yuri Andropov's poor health there is a leadership problem; they say that an economic reform, which they regard as crucial, is not being assured. In that atmosphere they are extremely sensitive to sneers and put-downs from Mr. Reagan. And instead of emphasizing the need for cooperation with America, they now emphasize the ability to get by without it. They seem almost proud that Moscow said no to Washington in Geneva. The tone is "Nuts to you."

That mood casts a dark shadow over the future. The only realistic hope for change in Russia has been that the growing number of sophis-

ticated persons with Western tastes and values will come to exert more and more influence in the Kremlin. In that way the harsh system might slowly — over a period of, say, 30 years — soften itself. If mellowing of that kind cannot take place, it is hard to see any strategy for making life with Russia more livable.

Whatever the ultimate consequences of the sour feeling, immediate effects are patent. The most pro-American Russians are now allergic to the United States and seem to derive pleasure from provoking the Reagan administration.

If Mr. Reagan does not get his hawks under control, if he does not correct the impression that he seeks the dissolution of the Soviet state, it is far from certain that the Russians will return to the table in Geneva.

Los Angeles Times Syndicate.



Andropov Can Sit Back and Watch Reagan Work

By Harry Rositzke

MIDDLEBURG, Virginia — During what promises to be a hot winter for Ronald Reagan, Yuri Andropov (or his successor) can play it cool in Moscow. The Soviet leadership has done its will in Central America and the Middle East. Now it can relax and watch detachedly what Mr. Reagan will do.

Mr. Andropov has made simple moves in the past tradition of great-power diplomacy. He has given diplomatic, military and economic support to friendly regimes in Nicaragua and Syria. In aiding Managua, Moscow follows its established practice of supporting revolutionary groups once they have achieved power. Maintenance of the Sandinista regime is clearly Moscow's major concern. What are the prospects?

Mr. Andropov probably has a realistic view of Nicaragua's capacity to survive the insurgency. His diplomatic and KGB aides in Managua and his Cuban colleagues are in the best position to assess the regime's capacity to deal with the CIA-sponsored rebels. All have had experience with guerrillas, and Moscow and Havana can make sure that the regime does not lack tools and techniques to defeat the insurgents.

The White House can only guess at the outcome. Will it make the same mistakes as in the invasion of Cuba — underestimate the Sandinista's staying power and overestimate popular resistance to it? The next move is Mr. Reagan's.

The future of the shakier terrain in El Salvador is even more completely in Mr. Reagan's hands. Whatever the facts about Moscow's direct or indirect support of the Salvadoran rebels, continuation of the insurgency clearly does not

require further Soviet action. The military outcome depends primarily on Washington.

Mr. Andropov can view with satisfaction the political costs that Mr. Reagan is paying for his Central American campaign: deep differences over policy with neighbors, opposition of European allies, squabbles in Congress and a strong public distaste for a military solution.

Whatever role Moscow plays in on-the-spot decisions — Havana and Managua surely have some leeway — it will likely be cautious. Mr. Andropov knows he is playing in America's backyard where it can take effective corrective action as it did in the Dominican intervention, the Cuban missile crisis and the throttling of Salvador Allende's regime in Chile. A good Marxist, he knows that suppression of the Salvadoran insurgency will not end "revolutionary situations" in Central and South America.

Mr. Andropov is in an even better position to wait out America's Middle East initiatives. He has made his one move, proper and aboveboard, by resupplying Syria with arms and technicians. He can now watch Washington seek to achieve its ambitious goals of a free Lebanon, an Arab-Israeli peace and an open Gulf.

What Mr. Andropov sees so far must be gratifying. The Camp David accord has been stopped short of a solution to the Palestinian problem. Mr. Reagan's peace plan appears to be beyond revival. The Israel-Lebanon accord is rejected even by Arab moderates. Egypt is isolated. The

Kremlin can watch America's will being tested, its diplomacy being outstripped by events, its domestic politics intruding.

He can enjoy the spectacle in Washington. The Middle East and Central America monopolize Mr. Reagan's third year, and foreign policy is embroiled in election politics. Fast action and confusion are the order of the day. Envoys are dispatched to the field on shuttle trips, reports and are replaced. Ambassadors and assistant secretaries change overnight. The State Department and the White House fight over Central American turf. The national security adviser is switched to a domestic assignment. A commission is created to help the president make up his mind about what to do in Central America.

Congress acts to curtail the president's war-making powers, and the House votes against the overt covert intervention in Nicaragua. Leaders in both houses demand a clear statement of a mission in Lebanon that no one appears able to formulate. Fleet maneuvers off Nicaragua and Lebanon and near the Gulf raise specters of war.

As Mr. Reagan wrestles with his crises and perhaps with another Grenada or two, Mr. Andropov can concentrate on what is for him the more crucial challenge: dealing with deployment of medium-range missiles in Western Europe. He may even have time left over for his major task — reform of the economy.

The writer, who worked for the CIA and its predecessors for 25 years, is author of the forthcoming "Managing Moscow: Guns or Goods?" He contributed this comment to The New York Times.

On One Thing, at Least, Superpowers Might Agree

By Tom Wicker

WASHINGTON — Soviet-American relations are at the lowest level since 1962, with a major channel of communications — nuclear arms control talks — probably closed at least until after the 1984 elections. But important agreement was reached in Washington recently when scientists from both nations concurred on the most vital matter of all: A nuclear war cannot be won and must never be fought.

Those words are President Reagan's, from his recent United Nations address. But his administration seems to pay little more than lip service to his point. Note, for example, the Pentagon's current interest in expanding the arms race into outer space rather than seek a treaty banning such a move; or Secretary Weinberger's famous "guidance" that the armed forces must be able to "prevail" over the Russians in a "protracted" nuclear war.

The four Soviet and four American scientists who spoke at a forum on Capitol Hill made short work of that kind of thinking.

New studies on the consequences of nuclear war have demonstrated that there would be "no sanctuaries," declared Carl Sagan, the Cor-

nell University astrophysicist. "The ashes of communism and capitalism will be indistinguishable."

Lewis Thomas of the Memorial Sloan-Kettering Cancer Institute said that these new studies "change everything" about man's understanding of nuclear war. So catastrophic would be the climatic, biological and environmental damage now expected, he and the other scientists agreed, that a nation launching such a war would probably be committing suicide even if no other nation made a nuclear response.

The Soviet scientists said that their work confirmed American predictions that the explosion of only a part of the existing warheads would cause a long "nuclear winter" of darkness and freezing cold, in which no crops and few humans could survive. They added their own grisly forecasts of a worldwide "toxic snow" and the fatal disruption of the intricately linked ecosystems that sustain life.

The forum was sponsored by proponents of the nuclear freeze movement, and the eight scientists offered the view that it was imperative

for the superpowers to freeze the building and deployment of nuclear weapons, then to begin rapidly reducing their stocks of warheads to a level far below any yet suggested.

Sergei P. Kapitsa of the Moscow Physico-Technical Institute dismissed as "gadgets" such proposals as President Reagan's space-based "star wars" defense system. "Gadgets won't solve the problem," he said. "It is time for ideas — not gadgets like civil defense and star wars." He said his studies demonstrated that "the growth of arsenals" was the real danger.

Paul Ehrlich of Stanford University testified that after a nuclear war "the only survival" would be in "extraordinarily deep shelters with independent air supplies" — independent, that is, of the contaminated outside atmosphere, a condition hard to imagine. Even that might only delay death, he said, until those sheltered finally emerged.

Therefore, "we cannot preclude the extermination of human life."

Mr. Ehrlich said that asking a biologist what the results of a nuclear war would be was like asking a

physician what the medical consequences would be "if everybody in this room put a double-barreled shotgun in his mouth and shot it."

With such testimony echoing in a crowded Senate caucus room, the notion of a workable civil defense against nuclear war — even the supposedly extensive Soviet civil defense program — took a considerable beating. Mr. Kapitsa said that the acronym for "civil defense" in Russian formed the word "coffin."

Mr. Ehrlich said some Russians had a better idea than civil defense. "They suggest you wrap yourself in a sheet and crawl calmly to the cemetery, so as not to cause panic."

Much of the testimony dismissed the civil defense plans of the Federal Emergency Management Agency — for example, its ludicrous recent report on agriculture after the holocaust, in which it predicted no shortage of farm labor because there would be so many "urban migrants" to pick the crops, about half of which FEMA expects to survive.

Such flights of FEMA fancy of course tend to support the dangerous illusion that nuclear war can be survived, hence can be fought.

The New York Times.

Latins See Two Faces Up North

By Flora Lewis

PARIS — For years now, United States foreign policy in Central America has been undermined by private or semi-private U.S. groups that encourage the extreme right to disregard official warnings.

A senior State Department official said not long ago that it must be carefully confusing for the local politicians. They are told publicly that Washington supports democracy and reforms, and opposes death squads and murder of peasants. But then they hear whispers from Americans who seem influential that all this talk is for public consumption but that the United States backs anyone who fights communists. The contradiction is widely known in Washington.

There are disturbing signs that private involvement in covert actions has expanded substantially — well beyond political and economic measures (of the sort exemplified by ITT in Chile before the Pinochet coup in 1973) to paramilitary activities.

Whether or not this subverts U.S. policy depends on what the policy really is. In any case, such involvement shields participants from the legal oversight mandated for specially cleared congressional committees. According to Admiral Stansfield Turner, the former CIA director, it also probably blocks CIA control once operations are launched, raising a risk of runaway disasters.

There is an argument in Washington about whether the Reagan administration is deliberately disguising an attempt to overthrow the Sandinista government in Nicaragua and help the far right elsewhere, or whether it is lax in reining in its own supporters.

John Carbaugh, a former aide to Senator Jesse Helms, said flatly that the CIA was totally in charge, sometimes through private contractors or by accepting "contributions." These seem to include planes and possibly U.S. mercenaries sent to perform sabotage. Mr. Carbaugh has intimate knowledge of dubious moves in Central America. He does not hide his contempt for what the CIA is doing.

New York Times reporters recently tracked several privately organized planes involved in secret operations, but they have not been able to pinpoint the source of the orders or the money. Argentine soldiers helped train "contras" in Honduras and plan attacks in Nicaragua before the Falkland war, but they are no longer available, congressional sources say.

The U.S. military and paramilitary network is now expanding through the region. The Reagan administration says it endorses the efforts of the Contadora Group of countries to demilitarize Central America and promote negotiated settlements. But U.S. actions cast doubt on the declaration, even as Henry Kissinger and his commission from the area preparing to recommend huge sums of economic aid to promote moderate regimes interested in negotiating.

It is easier to see the political underpinning on the right. There are conservative "think tanks" in the Washington area that make a point of having good relations with such ultras as El Salvador's Roberto d'Aubuisson and Guatemala's Mario Sandoval Alarcon, who are officially shunned by the United States because of their murderous reputations.

Among these think tanks are the Council on Inter-American Security, the American Security Council and the National Strategic Information Center. This last was organized in the 1960s by William Casey, the CIA director. Retired U.S. military officers and former CIA officials are among their active members.

These people travel to Central America, or they arrange high-level meetings for their friends when the latter come to Washington. Such sessions are then used by the Latins to back up claims of secret U.S. government support. U.S. ambassadors have confessed that they are powerless to reverse the impact.

If official policy is what the administration announces — to promote moderate, democratic regimes capable of social and economic development that will head off communist advance — then it is being flouted by its servants and friends. If that is only lip service, it is not only deceiving the country and wasting a lot of money, it is compounding the danger.

The New York Times.

FROM OUR DEC. 19 PAGES, 75 AND 50 YEARS AGO

1908: A More Congenial Tea Party

COLOMBO — Ceylon gave a tea party [on Dec. 18] which was as great a demonstration of Anglo-American friendship as the Boston tea party was evidence of the dissatisfaction of the American colonies with English rule more than a century ago. Leading commercial men of Ceylon presented Rear-Admiral Sperry with ten pounds of tea in a satinwood box, plus five pounds for each officer, and one pound for each man, the total being two tons. In accepting, Admiral Sperry said it was emblematic of the purity of Anglo-American relations. Sir Henry McCallum, Governor of Ceylon, said: "So long as the lion's paw and the eagle's claw meet in firm clasp in mid-ocean, the world's peace is assured."

1933: A Bolivia-Paraguay Accord

MONTEVIDEO — Bolivia and Paraguay were stated officially [on Dec. 18] to have accepted an arbitration agreement for settling the Gran Chaco dispute. In a recent battle, according to Paraguayan claims, the Bolivians were badly routed, with more than 1,000 men killed and the loss of 500 machine-guns and field pieces. Subsequently, the Bolivian government called up several classes of reserves. The Bolivia-Paraguay boundary dispute is a long-standing quarrel. Bolivia claims all the Chaco between the Pilcomayo and Paraguay rivers, whereas Paraguay claims that her neighbor's territory ends at the Paraguay River. Since 1928, both nations have been preparing for armed conflict over this frontier.

Christmas 1983: Worry in Washington

By James Reston

WASHINGTON — The holiday season is a little more festive this year than last in most places in America, but along the Potomac there is a difference.

If anything, the federal city is more beautiful than ever. Its glittering stores and eager shopping crowds proclaim the recovering economy. And on the two hills that dominate the city, there is to the east the blazing dome of the political Congress and to the west the Washington Cathedral, with the voices of its children singing the ancient Christmas anthems of peace and joy.

But down in the valley, where the Potomac runs, there are shadows on the lovely walls. There are mechanical barriers at the gates of the president's house. At the entrances to the State Department there are large cement highway blocks, like vast tombs, erected there apparently in the belief that terrorists in their bomb-trucks would prefer to go into the front door. Even missiles are mounted around the White House to intercept wayward planes that might come over the central city.

All this is new. Across the river at the Pentagon, with its five rings and underground tunnels to take its 23,000 employees back and forth comfortably to work every day, they are now shutting off the tunnels in case some wayward terrorist bomb-truck blows the place up.

They are right to be careful, but there is a paradox. Here is America with more military power than ever existed any place on earth, sending its marines into a bunker at Beirut airport and its navy into the Caribbean and the eastern Mediterranean in the name of security, and it finds that all its nuclear weapons and battleship guns don't bring security to Lebanon or Central America, or even to the White House or the Pentagon.

Despite the growing fear of terrorism, there are some hopeful signs. In recent weeks President Reagan has toned down his belligerent rhetoric about the "evil Soviet empire," which he once insisted was destined for the "ash heap of history."

In his talk with Prime Minister Trudeau of Canada the other day, he agreed with a NATO declaration that the time had come to stop the violent rhetoric of the past, offer the Russians the possibility of reconciliation and wait for a Soviet response.

So far there has been no response. Whoever is in charge in Moscow — and nobody in Washington knows if anybody is in charge — the Soviet reaction has been to break off the arms talks in Geneva and Vienna. But there will be a meeting in Stockholm in January to discuss the present stalemate. U.S. officials are wait-

ing to see if the Russians will attend. The NATO declaration was in a way a Christmas peace offering to the Russians. It said: "Rejecting any spirit of confrontation, the allies reaffirm their determination to develop contacts and cooperation with the Warsaw Pact countries on the basis of mutual interest. While maintaining a firm and realistic attitude, the allies would welcome any serious proposal aimed at restoring confidence between East and West."

So far there has been no serious proposal from the other side, only a break or suspension of arms negotiations. But at least there has been a change in the West from propaganda over missiles to an offer to discuss wider issues of trade, terrorism and how to avoid a confrontation between America and the Soviet Union in Lebanon and the Gulf region.

So Washington is preoccupied by the vicious politics of the world. America is rich and powerful, but behind its new cement barriers the capital is not a happy city this Christmas. For all its weapons, there is no security, and for all its promises, there is no peace.

But things will work out somehow. In Washington we are too involved in the tangled politics of the world, but elsewhere in the country the American people are probably more detached and more sensible.

The New York Times.

LETTERS TO THE EDITOR

On the Land as on the Sea

Reagan foreign policy can be fairly accurately described as extending "from the halls of Montezuma to the shores of Tripoli." The Tripoli this time, of course, is in Lebanon.

JAY HENDERSON, Hong Kong.

Democracy Unflinching

John Dornberg (in "For Kohl, a Grim Coincidence," *INT.*, Dec. 6) flouts his confusion and flouts the language. "Corruption, lobbying and influence peddling" don't "flout" democracy, they flout it.

MARK R. FINKELSTEIN, Paris.

Back Away From Syria?

Regarding the opinion column "It's Time to Stop Parley and Back Away" (*INT.*, Dec. 7) by Flora Lewis:

Mrs. Lewis concedes that Syria is "maneuvering ruthlessly... for the single purpose of increasing its control" so as to "become the regional superpower." She apparently has it on good faith that the Russians are "gravely worried." About what — the possibility that Syria might not be allowed to become that superpower?

For Mrs. Lewis, Soviet threats of "global consequences" are reason enough to back away and allow Damascus (read: Moscow) to achieve

such dominion. But parleying when you have already decided to back away is already from weakness. And dealing from weakness with the Soviet Union has, historically, been fatal. Hopes that the Russians might pressure Damascus to tone down its aggression or that there might be a chance for reconciliation in Lebanon (if Hafez al-Assad chose to "permit it") are meager carrots indeed.

This "back away" mentality is akin to the fallacy of unilateral disarmament. The criterion for U.S. policy in the Middle East should not be hope for fair play from the other side, nor should it be fear of Soviet bullying. It should be the fulfillment of a previously established peacekeeping mission, and the protection of U.S. personnel performing that mission.

I urge not that we destroy Damascus but that we remember a reality: If Syria becomes a regional superpower, so will the Soviet Union, which, as Mrs. Lewis observes, has already been Syria's guarantor of sanctuary for a generation. And then it will be time not only to back away but also to kiss the Middle East goodbye.

DMITRI NABOKOV, Montreux, Switzerland.

'A Hundred Villages'

Critical reference is made in an editorial published by you on Nov. 29 (Continued on Page 5)

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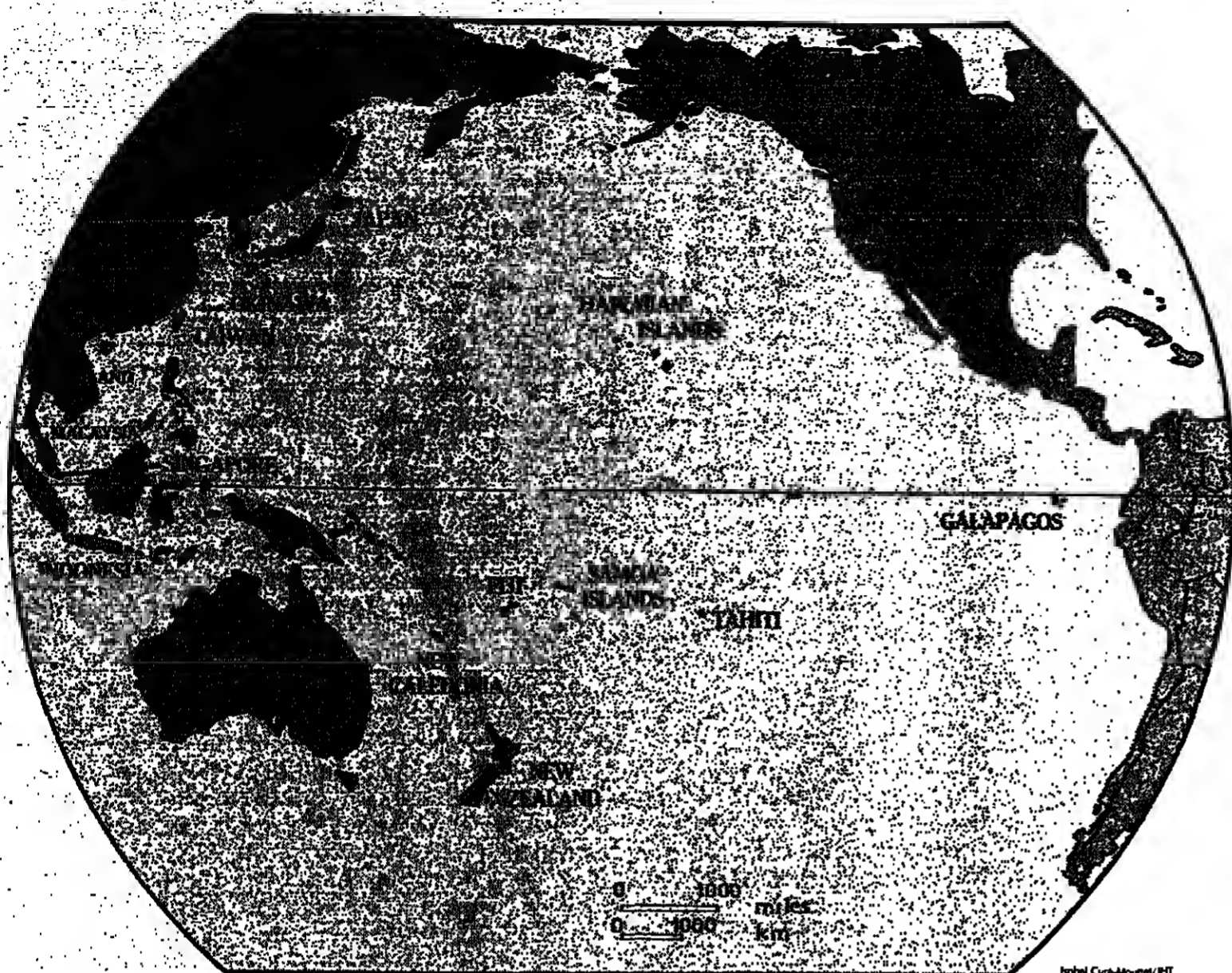
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THE PACIFIC AREA

A SPECIAL TRAVEL REPORT

MONDAY, DECEMBER 19, 1983

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On the beach in Bali.

Detours on the Bali Route

By Sheila Daniel

JOGJAKARTA, Indonesia — Most visitors to Indonesia go straight to Bali, possibly stopping on their way in Jakarta, the capital. Unfortunately, they usually miss the historically rich and visually breathtaking midsection of Java, with its haunting ruins, lush valleys and spectacular volcanoes.

Near the south-central Javanese coast is the one-time capital of Jogjakarta. Jogja, as it is called, is a center for artists and craftsmen and the birthplace of batik. It is also the "jumping off" point for the unspoiled attractions of central Java.

Foremost among these is Borobudur, the world's largest Buddhist temple, which had the misfortune to be built just as Buddhism was being challenged by successive waves of Hinduism and Islam. Only 25 miles (40 kilometers) to the northwest — less than an hour's drive — this 1,100-year-old monument predates Angkor Wat in Cambodia. Arnold

Tombée, the British historian, placed it on a par with the Parthenon.

For nearly a thousand years it lay forgotten. Today, it is becoming one of the showplaces of Southeast Asia. Earlier this year, Indonesia celebrated the completion of seven years of elaborate restoration — and the rebirth of Borobudur as the greatest monument to Javanese culture.

The restoration, which was done in conjunction with UNESCO, was the most ambitious archeological project since the Egyptian temple of Abu Simbel was moved to escape the floodwaters created by the construction of the Aswan high dam.

The four-sided, pyramidal structure, built of volcanic rock, is a religious textbook in stone. It reaches upward in nine successively smaller levels containing 2,700 intricate relief panels that depict the life of Buddha on his way to enlightenment.

The temple is fast becoming popular with

tourists, who may discern a sense of tranquility as they gaze down from the symbolical "heaven" toward the sprawling valley on the east and south, the active volcano of Merapi puffing in the distance, or to a sleeping volcanic range in the east.

Borobudur has no match in size, but many people are equally delighted with the Hindu temple complex of Prambanan, about 10 miles east of Jogja. Completed about A.D. 900, it is the tallest ancient shrine in Indonesia, and the design is sharper and more grandiose than that of Borobudur. However, the most astonishing thing about the Prambanan site is that for miles around, scattered across rice paddies and coconut groves, hundreds of small temples and shrines — some Hindu, some Buddhist — rise unexpectedly across the landscape.

The best kept secret in Java, however, is the Dieng plateau, about 75 miles (120 kilometers) north of Borobudur.

(Continued on Next Page)

The Magic of Mexico

By Merle Linda Wolin

PALENQUE, Mexico — The magic of a visit to the lost Mayan cities of southern Mexico begins when a small plane, flying over the vast jungle of the Tumbala mountains, suddenly swoops down over a clearing to reveal the glistening white stone remains of Palenque.

It was here in 1773 that local Indians first stumbled upon what they called "the stone houses," and then talked about them to Spanish priests.

From that time, outside explorers have traveled to see the majestic and mysterious ruins where one of the world's great civilizations flourished for a thousand years then, abruptly and inexplicably died.

Located deep in the jungle in Chiapas state, near the Guatemalan border, the three ruins — Palenque, Yaxchilan and Bonampak — offer powerful insights into the daily life of the Mayas between about A.D. 200 and A.D.

900. It is clear from the ruins and from numerous bas-relief sculptures, stone monuments, glyphs and wall paintings that the Mayas organized themselves into a rigid, highly organized theocracy that set — and met — high intellectual standards.

The Mayas excelled in astrology, mathematics, architecture, art, agriculture and law. It was a golden age, comparable to that of the ancient Greeks.

Today, the ruins, remote and still largely buried beneath the dense jungle, leave unanswered a plethora of basic questions about the Mayan world. No one knows, for example, who these people were or where they came from as long ago as 3000 B.C. Some believe they were native to the Americas; others think they were an amalgam of such traveling groups as the Chinese, Etruscans, Phoenicians and the Jews who had arrived in the New World early on.

Another puzzle is why and how their civiliza-

tion came to its end. Were the Maya priests, the guardians of the culture, defeated in a series of peasant revolts? Or did the entire civilization fall victim to insect? Theories abound.

On the ground, Palenque takes on human dimensions. The remains, about 34 structures, were no doubt the center of a community believed to have covered about 15 square miles (38 square kilometers) and including about 500 structures.

The palace and one of the temples have unmistakably Chinese-looking, pagoda-shaped towers. Depictions of lotus flowers, not native to the New World, are seen repeatedly in Palenque sculpture. And motifs similar to many used throughout India are also found here. Scientists have not been able to explain the similarities.

A 75-foot-high (22.5-meter) pyramid with a temple on top, called "The Temple of the

(Continued on Next Page)

Playing in Polynesian Waters

By George Day

BORA BORA, Tahiti — The mountain-tops were capped with rain clouds and the air was heavy with the scent of hibiscus as we hoisted the anchor and sailed away from the island of Tahaa. But as we crossed the calm lagoon, the tropical sun broke through to warm our skin and highlight the waves that broke onto the barrier reef.

My skipper, Meteta, steered the 44-foot (13-meter) sloop Ro'o through the pass in the reef and then, as swells pulsed under our keel, turned to the west. The sails filled, the rudder kicked in Meteta's hand and we were on our way. Behind us lay the verdant islands of Raiatea and Tahaa, and 18 miles (about 29 kilometers) ahead stood the peaks of Bora Bora.

The Polynesian fishermen with me — Te-hote, Davy and Meteta — beamed with pleasure. According to custom, the ocean was

their domain, while everything ashore belonged to their wives. As beers were passed around, Meteta broke into song. The others joined him, making music with their hands and feet as well as their voices. In an aside, Meteta explained, "It's the Tahitian way to be happy," and then he sang on. It seemed a very good way to be happy.

Raiatea, Tahaa, Huahine and Bora Bora, known as the Isles Sous les Vents, are the western islands of French Polynesia and lie more than 100 miles from the capital of Papeete on Tahiti. The islands are unsullied by the tourist trade. The people are still the unsophisticated children of nature that Paul Gauguin, James A. Michener and others have romanticized. Even the pace of the "paradise found" industry has not quite reached them. They are still simply fishermen who would rather sing in the sun than do just about anything else.

On Tahiti, life has changed. On a Saturday

night the fishermen, the shop owners, the hotel managers rush home to sip Algerian wine and to look at J.R. Ewing play out yet another role on the television serial "Dallas." And the Papeete traffic they drive through reeks of diesel fumes... diesel fumes mingled with the scent of hibiscus.

Despite modernization, French Polynesia and the islands of the South Pacific are still as close to paradise as one can get on this planet. The scenery and climate are sublime. In the outer islands, such as Tahaa or Bora Bora, even the people still fit that description.

The best way to bypass the tourist spas and find the pockets of paradise is aboard a sailing boat. Chartering a yacht is still a new enough game in the South Pacific that, once away from the dock, you easily can vanish into another time and place where the people live in houses without walls and where a

(Continued on Next Page)

Sun and Snow in Hawaii

By Robert W. Bone

WAIIMEA, Hawaii — The most genuinely tropical state in the United States, Hawaii generally features traditional winter sports like surfing, scuba diving and sun bathing under rustling palms and warm and soothing trade winds.

To those who know where to look, Hawaii also offers an active season of skiing — snow skiing, not water skiing.

Near the summit of Mauna Kea, the snow is approaching a meter (39.37 inches) deep this time of year. Mauna Kea actually means white mountain in the old Hawaiian language, and the dormant volcano forms the dramatic backdrop one sees from the small city of Hilo on the island of Hawaii — known locally as "the big island."

In the past, ski fanatics talked about the mountain's potential, and from time to time a few intrepid explorers would hike up to the winter snow bowls above 11,000 feet (3,353

meters) to make a few long runs. (Mauna Kea itself stretches to nearly 13,800 feet — about 4,200 meters above sea level.) One person would always have to stay with the jeep so that everyone could get back to the top of the slope again. Today, however, things are much more systematized.

First of all, however, remember that Hawaii is primarily a place where there is good swimming and sunning all year. Days are usually balmy from January to December with temperatures in the 70s and 80s Fahrenheit (20s on the centigrade scale).

Nevertheless, while hundreds may be enjoying golf, tennis or the beach in January, other visitors to the big island are skiing, as a result of the operation set up by Dick Tillson, a snow enthusiast who has been sliding down the volcanic slopes in Hawaii for 18 years.

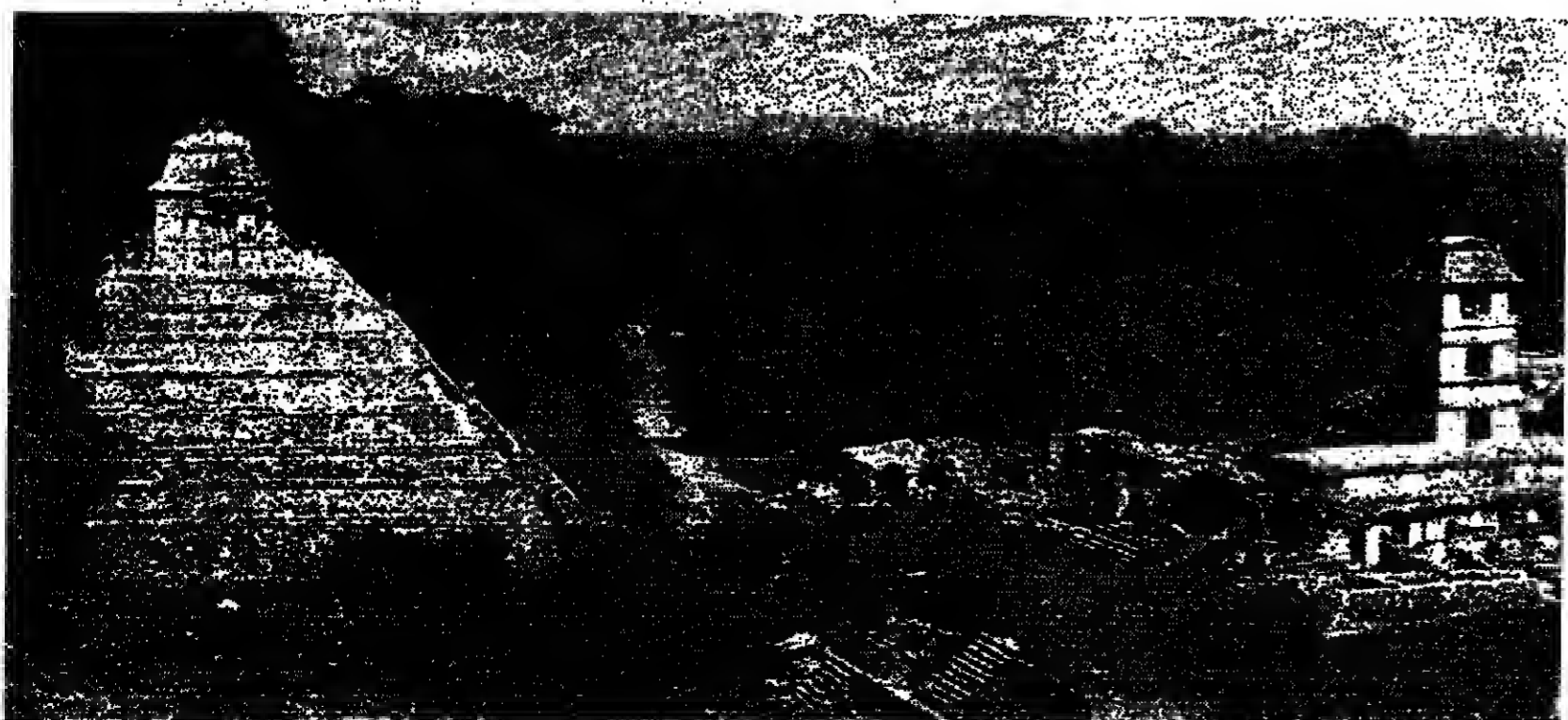
Mr. Tillson is the owner and operator of Ski Shop Hawaii, with headquarters in Waimea, capital of the cool, green cattle-ranch

region 60 (96 kilometers) miles northwest of Hilo. At 58, he likes to call himself "the old man of the mountain," and his is the only commercial ski operation in the state. It is off the belt highway near the shopping center in Waimea.

For \$76, Mr. Tillson provides an all-day experience. The fee includes skis, boots and poles, membership in the Ski Association of Hawaii, a modest lunch, transportation to and from the slopes and the lifts. Both the round trip and the lifting are accomplished by the same two four-wheel-drive trucks with a camper back rigged on them, carrying 12 passengers and all the equipment. "We call these our 'goodies on wheels,'" Mr. Tillson said.

For most day trips, Mr. Tillson and his entourage leave Waimea at about 9 A.M., arriving at snow level at about 11 A.M. They leave about 4 P.M. to get back in Waimea at 6

(Continued on Next Page)



Temples and palaces at Palenque, Mexico.



The island of Moorea under a layer of clouds.

Prices may vary according to market conditions and other factors.

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THE PACIFIC AREA

Shopping in Asia: Fun but Grueling

BANGKOK — Shopping is one of Asia's most popular and grueling sports, and it is only done well by those with steady constitution and iron will. It takes planning, research, patience, strong legs and, most of all, a sense of humor. Sparring with shopkeepers is half the fun, and if one learns to bargain skillfully the effort will likely be worth the trouble.

The prize for the effort can be a bargain — which in Bangkok can mean everything from gems and silk to cameras and videotape machines.

However, it is also possible to come home with second-rate goods. The key is in knowing where to look and for what. Here is a sampling of some regional specialties — and pitfalls — to look for.

HONG KONG — Top-quality items are readily available, but prices are high. Old-fashioned haggling has been replaced by what could be termed "dashing calculations." Carry one in your pocket, along with the Hong Kong Tourist Association map you will be handed at the airport. Also useful is a booklet provided in most hotel rooms listing reputable shops and their addresses. "Sam Sha Tsui, on the Kowloon peninsula, is a prime hunting ground for pearls and electronic gadgets of all kinds, but Nathan Road and the streets around it are also crisscrossed with toy shops, boutiques and leather and luggage stalls.

Compare prices at several stores, and keep in mind that the final price agreed on may not include a guarantee. Pay the surcharge if there is one, and check serial numbers and whether the guarantee is international or local. Also, be aware that the "best price" generally means cash. Most shops add a fee for credit cards, despite claims from the card company that they will not. The same is true throughout the region.

Other shopping areas with similar merchandise are Causeway Bay, on Hong Kong Island, and the Central District, where prices tend to be higher.

The Hong Kong main mall will be tailored to fit, but the prices will be steep. Of more interest are the colony's new high-fashion outlets and factories, which stock the same designer garments found at Harrods in London, Saks Fifth Avenue in New York and the Rue du Faubourg Saint-Honoré in Paris — at a fraction of the price. The table of Hong Kong bargain hunters is a small paperback called "Factory Bargains," by Dana Goetz, stocked by all South China Morning Post bookstores. It lists outlets by areas, with an index for accessories, cashmere, cotton, fur, knits, leather and suede, men's wear, silk, wool and sportswear. Some goods are seconds, but many are fine items from surplus stock. The best sales are at the end of each season, especially between Christmas and the Chinese New Year.

BANGKOK — Best buys are colored gemstones, handwoven silk, high-quality handicrafts and bronzeware. With more than 250,000 outlets, Bangkok is the world's biggest gem market. Exceptional values can be found in rubies and sapphires, along with emeralds, topaz, garnets and other colored stones. However, a shopper who is unaware can end up paying the same prices as in Europe or the United States. Also, synthetic stones are of such high quality that they can often fool even the professional eye.

A buyer should always obtain a detailed receipt.

including the quality of the gold setting and the kind of stone and its weight. He should also get a receipt stating that the sale is subject to appraisal by a registered gemologist. Any reputable dealer will direct you to a gemologist. There are about 50 in Bangkok, and appraisals are relatively cheap and usually based on a flat fee. Gem laboratories will also provide a certificate of value for insurance purposes.

Thai silk is appealing because it is unique, stiffer than Chinese silk, and it is best suited for home furnishings or jackets and formal evening wear. The most famous shop is Jim Thompson's on Suriwong Road, but many other boutiques and street stalls along Silom Road, in major hotels and on Sukhumvit Road also carry high-quality fabrics.

So-called "antique" shops are probably more plentiful in Thailand than anywhere else in Southeast Asia, but few of them sell genuine antiques. These are especially good at the art of reproduction and most workmanship is superb, whether it is Burmese, Thai or Chinese. Wooden animals, altar ornaments, ceremonial drums and other artifacts can be exported with no problem, but Buddha images generally require a certificate from the government's Department of Fine Arts before they are taken out of the country. A good dealer will help in obtaining this. Hundreds of stores sell Chinese porcelain and bronzeware, but one should stick to shops listed in the tourist authority's guide and avoid street stalls. Bangkok is a great city for browsing, and a recommended aid is Nancy Chandler's "Map of Bangkok," which gives detailed information for the types of shops found in any area. It is sold in most bookstores and supermarkets.

SINGAPORE — This tiny city-state likes to bill itself as a rival to Hong Kong for electronic equipment. In fact, it runs a poor second. Prices are higher and merchants are reluctant to spend time bargaining. Even so, prices can be better than those in Europe, and the number of shopping centers continues to grow along Orchard Road, the heart of the shopping district. Chinatown is rapidly losing out to developers, but it is worth a trip for the occasional silk scroll or fine porcelain that some shops still sell.

Also available in Singapore are Moslem brassware from Malaysia and Selangor pewter, which is among the finest in the world. Bargains on these items are also a steal in Kuala Lumpur, the Malaysian capital, as is batik cloth. The finest batik, however, comes from Indonesia and that can also be found in Singapore.

MANILA — Filipino craftsmen excel in weaving and handicrafts. Shops in the tourist belt of Ermita feature Moslem brassware, Chinese porcelain (abundant in all Asian cities), and brightly woven garments and tapestries from remote districts, such as Borneo in northern Luzon or Zamboanga and Davao in Mindanao. In Makati, department stores such as Rustan's and Smeaton's have boutiques for Filipino fashion houses that offer some appealing designs. Overall, the quality is not on a par with Hong Kong. There are also well-crafted jewelry and household accessories made from native shell and coral.

—SHEILA DANIEL



Like the Great Wall, the Grand Canal is a symbol of China. It is the longest and the oldest canal (Fifth Century A.D.) still in use in the world.

Surprises in the World of China

By Lynn Broder

KASHI, China — While a huge white statue of Mao looks the other way, the outdoor bazaar here teems with the kind of bargaining, bluster and bustle that must have greeted Marco Polo when he reached this market town along the fabled Silk Road seven centuries ago.

Amid the maze of rickety stalls and open-air food stands, vendors hawk donkey bridles and camel bells, colorful antique carpets, tie-dyed silk and cart wheels. In an alley, sidewalk barbers shave heads for a swartzy clientele of Uighurs and Kazakhs while the air stirs with the smells of untreated sheep's wool and rancid yak butter.

Happily for the visitor who has already scaled the Great Wall, gazed at Xian's archeological treasures and toured the main cities, the Chinese authorities have opened to foreigners a dozen spots that provide a more intimate look at this land that is more a continent than a country. Kashi, located in the Xinjiang Uygur region of western China, is one of these relatively unexplored corners.

The easing of travel restrictions is part of an official campaign that aims to attract 5 million non-Chinese visitors by the year 2000. Beijing also has relaxed bureaucratic procedures for travelers and upgraded accommodations and transportation in traditional tourist locations. New Western-style hotels are sprouting in Beijing and Guangzhou, and seven of the country's best hotels will soon be connected to a reservations computer system to keep bookings straight.

The China International Travel Service (CITS), the country's central tourist authority, is now offering tours for sportsmen in addition to its established trips to the Himalayas for trekkers and mountain climbers. Hunting and fishing trips can be arranged to Wuxi in Jiangsu province, where trout and other freshwater fish are plentiful, and to a 50,000-acre (20,000-hectare) nature preserve filled with deer, bear, wild boar and lynx in northeastern Heilongjiang province. One hotel there uses animal pelts for bedding and serves bear's paw, a delicacy that reputedly enriches the blood, strengthens the muscles and rejuvenates the love-worn.

For other health-conscious travelers, CITS offers a 20-day

stay at Tai Hu Lake near Wuxi, where participants spend their mornings receiving traditional herbal cures under the direction of Chinese doctors. Afternoons are devoted to sightseeing or classes in Chinese cooking and *yai chi*, the graceful art of shadow boxing.

Visits to Xinjiang and Tibet will take the traveler farthest off the beaten track. Tibet was opened to a small number of tourists three years ago, but with only limited accommodations available, tours remain expensive, difficult to arrange and are restricted to Lhasa, the capital. Nonetheless, a journey to "the rooftop of the world" provides scenes of breathtaking beauty and exotica.

Chafing under Chinese rule, Buddhist pilgrims still kindle yak-butter candles in the sprawling *potato*, once the residence of the Dalai Lama and now a communist museum. With binoculars, one might even glimpse a "sky burial," a ritual mountaintop dissection of corpses whose pieces are then flung to the vultures as a step toward spiritual reincarnation.

A journey to Kashi will also take some planning and cajoling, but Xinjiang's capital of Urumqi and the town of Turpan, at the rim of the Turpan Depression, the world's second lowest point, are easily reachable by airplane or train. Both have colorful outdoor markets that offer good bargains on the carpets, antiques and handicrafts of the area.

Xinjiang is best to visit during spring or fall. In summer, temperatures hover around 113 Fahrenheit (45 degrees Celsius), forcing residents into tunnels to escape the heat.

On China's east coast, Changshou county in Jiangsu province, which was opened to foreign tourists late this year, offers good eating amid a mountainous landscape of lakes, rivers and plummeting gorges. Local tradition says Changshou people invented a delicious dish called "beggar's chicken," cooked in a clay casing, although residents in nearby Hangzhou might claim the recipe for themselves.

Travelers heading for Shandong province to visit Qufu, the birthplace of Confucius, might want to go also to the newly opened city of Weifang, which offers collectors good buys in kites, wood rubbings, paintings and intricate paper cuts. The town has a miniature garden filled with replicas of

Buddhist temples and pavilions amid exquisite bonsai trees. Tourists now can travel by boat along Tai Hu Lake from Jiangsu to Wuxi in neighboring Zhejiang province. Wuxi is mainly a transfer stop from boat to bus on the hour-long ride to Hangzhou, but travelers might want to visit the town and buy some traditional writing brushes, for which Wuxi is famous.

Zhejiang's South Lake is also newly opened to tourists, offering waterside accommodations and pleasant boat excursions. It was there that Mao and his followers fled on July 1, 1921 to finish the founding of the Chinese Communist Party after Nationalist authorities raided their first congress in nearby Shanghai.

In central Qinghai province, which has one of the country's largest concentrations of prison camps, authorities recently opened Huangzhong county, the site of the 16th-century Jin Ta Si, one of the country's six great Buddhist monasteries and the seat of Buddhism's Huang school of thought. There, the monks fashion statues of humans, trees and flowers from hardened yak butter and use the figurines for sacrifices in their prayers.

At Qinghai Lake, tourists can now visit a small island sanctuary for more than a dozen species of birds, including swans, storks and geese.

After years of strictly group-oriented tourism, CITS in January will begin allowing individual and family tours to China's nine major cities and tourist locations: Beijing, Shanghai, Tianjin, Guangzhou, Guilin, Xian, Kunming, Nanjing and Hangzhou.

VISA, Diner's Club and American Express cards will obtain cash advances of up to 1,500 renminbi (\$750) from Bank of China branches in major Chinese cities and can be used at some large tourist stores. In most cases, however, cash transactions are the rule. For details on travel costs, transportation schedules and hotel accommodations, contact the China International Travel Service in New York, London, Paris, Frankfurt, Tokyo and Hong Kong, or in any of China's major cities. CITS can also be reached at 6 East Chang An Avenue, Beijing, People's Republic of China. Telephone 551031. Telex 22350.

Outdoors in the Far South

By Kevin Voltz

SYDNEY — If you fancy yourself a hunter with fishing rods and rifle, New Zealand is where you should be heading. Where else could one bag a big-game fish (a marlin or a shark — make, hammerhead or thresher), a sizable trout and a deer all in a single day?

The record time for this feat, known in New Zealand hunting, fishing and shooting circles as "the big three," is 3 hours and 15 minutes. Yet, Rex Forrester, the veteran fishing and hunting guide who set up big-three record attempts, said time was lost getting a float plane to a rendezvous. "It should still be possible to knock about half an hour off the record," he said. "Particularly, if we use a jet helicopter all the way."

That might be a good idea for trophy hunters, but it is going to double their aviation bill — float planes cost 250 New Zealand dollars (about \$165) an hour, helicopters 500 New Zealand dollars.

Mr. Forrester, who is the New Zealand tourist department's fishing and hunting officer, was a professional safari guide when he thought up the big three in 1964.

He was working out of Rotorua, a lakeside town that attracts tourists with geysers, boiling mud pools and spas — and fishermen, mainly New Zealanders, with 11 lakes stocked with rainbow trout.

Not only that but the Mayor Island big-game fishing grounds in the Bay of Plenty are only 190 kilometers (117.5 miles) to the north, and the huge Urewera National Park, with four varieties of deer, begins 100 kilometers (62 miles) to the east.

Mr. Forrester thought that the big three would stimulate overseas interest. The only gimmick attached to his three-in-one offer was that the clock did not start until the client hooked a big-game fish. But big fish just do not turn up on cue.

After a publicity campaign in the United States, the first client was Ted

Williams, the Hall of Fame baseball player. He went to New Zealand, spent three days on a charter boat off Mayor Island and booked a thresher shark. Ten and a half hours later, he was the first big-three champion — after taking a trout from Lake Rotorua and killing his deer in the Urewera Park.

That record stood for several years until a New Zealander, Rod Bellerby of Whakatane, another big-game fishing port on the Bay of Plenty, scored his three kills in 4 hours 12 minutes.

The present champion is Johnnie Boyle, a former president of the Tauranga big-game fishing club. He tried six times over five years before he set his record of 3 hours 15 minutes on Jan. 13, 1979.

He had fished off Mayor Island for six days before he hooked and landed a striped marlin. The weather was uncertain at Rotorua so he had to fly 85 kilometers (52.7 miles) further south to Lake Taupo but he made up for it by hooking a trout five minutes after he landed.

The following year, there was the first challenge by a woman, Lyndsay James, a 56-year-old Rotorua resident, who began her quest in the Bay of Islands in northernmost New Zealand, nearly 500 kilometers (310 miles) from Rotorua.

She played and lost one marlin, then hooked another the same day. It took her 40 minutes to land the 124-kilogram (272.8-pound) fish, so she could not get ashore in time to fly to Rotorua before dark. Her husband drove her south overnight.

After two hours' sleep, she was out on Lake Rotorua at dawn. She caught her trout, a 2-kilogram (4.4-pound) rainbow just after 7 P.M., then a float plane took her to Lake Taupo, where a professional deer-hunting helicopter was waiting.

Mr. Forrester described the adventure: "After 20 minutes seat-of-the-

(Continued on Next Page)

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Herald Tribune BUSINESS/FINANCE

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EUROBONDS

By CARL GEWIRTZ

Market's Gloom About Interest Rates In U.S. Expected to Hang On Into '84

PARIS — Anyone foolish enough to be hoping for a break in the weeks-long gloom pervading the Eurobond market was sorely disappointed last week.

There was no relief from the fundamental fear of a rise in dollar interest rates stemming from the clash of a robust business recovery and the very large deficit in the U.S. federal budget. But added to this last week was the lowered-year-end window dressing of balance sheets that drove up both interest rates and the dollar's exchange rate.

Investors, unsure about how much higher both rates may climb, prefer to get out of the uncertainty rather than make a commitment and regret it.

Most doubting of all for the market is the prospect that there will be no early change in this outlook in 1984 — at least not until the Reagan administration said Congress strikes a compromise to raise taxes in exchange for lower spending.

Henry Kaufman, the respected Salomon Brothers economist, spelled out his view for 1984 last week, projecting the cost of overnight dollar rates of at least 11 percent compared with the current 9.94 percent and an upward shift in all other interest rates. In addition, he predicts that the dollar will remain strong in the foreign exchange market.

The really bad news in his forecast is that interest rates could well set new highs by 1985. The only good news is his projection that the yield curve will remain positive, with short-term rates lower than medium- and long-term rates. This would make it possible (profitable) for investment banks to finance the launching of new bond issues. What remains unclear is when and why investors would be willing to consider buying fixed-rate issues in such an environment.

What activity there is early next year is expected to remain concentrated in floating-rate notes, which offer investors the best protection against a rise in interest rates.

Three floaters were marketed last week, all with coupons set at 4.4 percent over the London interbank rate. Gannett offered \$100 million of 10-year notes that investors can redeem after eight years. It ended the week quoted at 99.70. Morgan Grenfell sold \$50 million of 10-year notes and they ended the week at 99.65.

Credit Lyonnais did not do as well. It sold \$250 million of 12-year notes that investors can redeem early after the eighth year, but it was quoted at 98.75. Traders said Credit Lyonnais is the least well liked of the three top French banks, that it does not look after its issues in the secondary market and that it has been a frequent borrower this year.

In the convertible bond market, investors rejected the low coupon offered by Brown Boveri and as a result its \$57 million of 44-percent bonds were priced to be converted into common stock at a discount of 2.7 percent — a sharp turnaround from the 2-to-4-percent premium that had been indicated. Even so, the bonds that had been offered at par ended the week at 99.4-99.5.

Small Solace for Germans

Elsewhere, the rise in dollar interest rates did nothing to enhance the appeal of non-dollar instruments. The only solace West German bankers could draw from events last week was the relatively small size of the new calendar. Only 1 billion DM of new issues is scheduled to be floated in the four weeks ending Jan. 17, half the volume of the previous month.

First off the market in the new calendar was a 106-million-DM private placement for IRI Finance. Its five-year notes bearing a coupon of 7.4 percent were priced at 99.4 to yield 7.56 percent. Olivetti, the last of the old calendar, sold 100 million DM of eight-year paper bearing a coupon of 8.4 percent and priced at 99.4 to yield 8.35 percent.

Copenhagen will be next to tap the market on Jan. 3 with an issue of 100 million DM.

The lackluster demand for DM paper was also reflected in the guilders market, where Algemeine Bank offered 200 million guilders of five-year notes bearing a coupon of 8 percent. The issue was priced at 99.4 to yield 8.13 percent and ended the week at 99.4.

The sterling market remained open with Mortgage Bank of Denmark offering 50 million of 10-year floating-rate notes. Interest will be set at 3/16 point over the three-month interbank rate. Only 30 percent of the purchase price is required to be paid immediately and the remainder by March 2.

In the ECU market, Cie. Bancaire, a finance company owned largely by a group of French banks, issued 37.2 million of six-year notes bearing a coupon of 11 percent. The odd amount is explained by the fact that the proceeds are being used as a swap for floating-rate dollars. In addition, the first interest payment will not be made until July 1985. The paper was trading at 98.4 for a yield of 11.3 percent.

International Herald Tribune

McDonnell to Acquire Hughes Helicopters Inc.

By Thomas C. Hayes

New York Times Service

LOS ANGELES — McDonnell Douglas Corp., one of the largest U.S. makers of military equipment, has announced that it plans to acquire Hughes Helicopters Inc. for about \$470 million.

Hughes Helicopters, which is owned by the estate of the late Howard R. Hughes, is the principal supplier under a \$7-billion contract to build 515 AH-64 Apache helicopters for the U.S. Army over the next six years.

The Hughes estate had hoped to receive \$500 million for the helicopter unit.

Sanford N. McDonnell, chairman of McDonnell Douglas, said the addition of Hughes would move the company "into a line of business that clearly holds great promise." He added that the Apache program was "fully compatible with the corporation's other aerospace activities and can benefit

from our broad range of technical capabilities."

McDonnell assembles the F-18 and AD-8 planes for the U.S. Navy and the F-15 fighter jet for the U.S. Air Force. With revenue of \$8 billion, it rivals General Dynamics Corp. as the largest U.S. military contractor.

McDonnell reported net income of \$70.9 million, or \$1.78 a share, on sales of \$2 billion for the third quarter. For the nine months, it earned \$192.3 million, or \$4.84 a share, on sales of \$6 billion.

Friday's announcement of the planned acquisition came after trading closed on the New York Stock Exchange, where McDonnell's stock rose \$1.875, to \$36.50.

The acquisition of Hughes and its Apache contract will strengthen McDonnell's position as a military contractor, "since the army gets about a quarter of all government hardware dollars" for military spending, according to Wolfgang

(Continued on Page 13, Col. 2)

Lego's Success Built on Sales of Low-Tech Bricks

Firm Largely Escapes Toy Market Turmoil

By Ellen Wallace

International Herald Tribune

BILLUND, Denmark — Lego seems an unlikely success story in a world where the visions dancing in children's heads are most likely to be the video pyrotechnics of Pac Man and Space Invaders.

The company has built a worldwide business largely on sales of its small, interlocking plastic bricks. More than a million of the bricks and other parts are molded every hour in the company's three factories. Lego estimates that about 50 million children spend 400 billion playtime-hours a year stacking them.

Lego's low-tech success has helped to bolster the company's sales at a time when many European makers of traditional toys have run into problems. A weak world economy is affecting sales, less expensive copies from Asia are flooding the market, new safety regulations are adding to costs, and the number of children in developed countries is dropping.

The company is privately owned by father and son, Godfred Kirk Christiansen and Keld Kirk Christiansen, and their families. They say the name difference is due to a birth certificate mistake.

They publish no financial information, but industry estimates put the company's annual sales at as much as \$400 million. According to ECR, a research organization based in London that monitors the toy industry, European retail sales in 1982 were \$6.4 billion; that compares with U.S. sales of \$11 billion.



Godfred Kirk Christiansen (left) and Keld Kirk Christiansen.

Godfred's father, Ole, founded the company in the Depression, when his carpentry business failed. The new company manufactured stencils, ironing boards and wooden toys. The latter rapidly became known for their quality and within two years the company had changed its name to Lego, from Danish words "leg" meaning "play" and "godt" meaning "well."

The company's growth was slow but steady. After 20 years there were 140 employees, and Lego was in its fifth year of making plastic injection molded toys. One product was a small building brick, but it was not

until 1955 that the Lego brick as such was born. In 1958, the interlocking design was patented.

By 1962, when Lego celebrated its 50th anniversary, the number of employees had grown to 3,700. There are factories in the United States and Switzerland, as well as a large plant in Billund. More than 65 million Lego sets were sold last year. 97.5 percent outside Denmark.

In West Germany, the largest market in Europe and long the home of the toy industry (Continued on Page 15, Col. 5)

Peugeot Accepts Compromise on Poissy Layoffs

By Axel Krause

International Herald Tribune

PARIS — Peugeot, the French automaker, said Sunday it would implement a compromise agreement with the government on cutting employment at its strike-battered Poissy assembly plant.

The agreement, announced Saturday by Prime Minister Pierre Mauroy, defused a labor dispute that reportedly had provoked a split in the cabinet. The company had threatened to close the plant near Paris and lay off about 2,900 workers.

The agreement permits Peugeot to lay off 1,905 workers at the plant, each of whom will be paid 20,000 francs (\$2,361) to seek new employment. The decision followed tough negotiations between Employment Minister Jack Ralite, company executives and top officials of trade unions.

Mr. Mauroy said he was "happy and satisfied" and praised the company for helping reduce the planned layoffs by one third. He said he hoped that the example set would be followed in other ailing sectors of the French economy also planning layoffs, notably steel, coal, shipbuilding and chemicals.

Industry sources, however, questioned whether the government could continue paying workers being laid off at the rate set by the Peugeot agreement. Several officials said Sunday that they doubted that the costs involved in paying the Peugeot workers — estimated at roughly 38 million francs — could be easily projected to other sectors.

"Considering that unemployment is going up in France, and will be considerably above two million by next year, few people can see how the country can continue paying" at the rate allocated to Peugeot workers, an official close to the negotiations said.

According to some government projections, unemployment will rise to about 2.1 million in 1984, to 2.4 million in 1985 and to 2.7 million in 1988.

Peugeot also will offer workers a 20,000-franc reduction on the purchase of a truck, or some other vehicle "for use as an instrument of work," and the company will organize a training program in the automobile field, employing 100 company workers.

Meantime, a spokesman for Peugeot said Sunday that the company was examining the opening of the Talbot plant, assuming workers agree to return to their jobs and end their strike which began 11 days ago. "We now also plan the investments of 1.2 billion francs at the plant," the spokesman said.

But union leaders said they would wait for further negotiations with Peugeot on how the agreement will be implemented before recommending that workers return to their jobs.

Last Thursday, the company said it would proceed with the layoffs and shelve plans to modernize the plant. The action triggered widespread commentary in France that "the Talbot case" had become a major test for the government in dealing with the need for layoffs in ailing sectors and the pressures from the Communist Party and leftist trade unions.

Mr. Mauroy brushed off a question about a reported split in the government over the issue, mainly between Finance Minister Jacques Delors and Industry Minister Laurent Fabius, who favor layoffs where necessary, and Mr. Ralite, a Communist Party member who reportedly opposed any layoffs at Peugeot.

"I don't know what you are talking about. There was solidarity," Mr. Mauroy said.

The Peugeot spokesman also said that the company had not dropped its plans to cut about 5,500 additional workers from its payroll at plants throughout France, and that the group remained committed to stem losses currently running at about two billion francs annually. "This is one step — it has not solved our problems," he said.

Citgo Price Cut May Depress Other Rates for Oil

By Steven Greenhouse

New York Times Service

NEW YORK — Citgo Petroleum Corp. has cut the price it is offering for crude oil by \$1.50 a barrel to \$28.50, a move analysts said could push down the price of oil in the United States and abroad.

Traders differed over whether other U.S. refiners would follow the move announced Friday by Citgo, an Oklahoma-based refining subsidiary of Southland Corp.

They said, however, that if several major refiners cut their prices, that would likely force British National Oil Corp. and Nigeria to reduce their selling prices, and an overall reduction by the Organization of Petroleum Exporting Countries probably would follow.

Citgo, which is considered a minor refiner, said the price cut was in reaction to "the steady decline in retail product demand and prices."

Citgo's reduction is the first across-the-board cut since late February, when the posted price for West Texas Intermediate Crude, a benchmark, was cut by \$1 a barrel to \$30.

Andrew Lebow, an oil analyst with Shearson/American Express, predicted that many U.S. refiners would follow Citgo's move and lower their prices. "That would make it hard for the British and the Nigerians to maintain their \$30 price on single crude," he said.

In contrast, Dan Lindberg, editor of the Lindberg Letter, an energy publication, said Citgo's move was "very likely somewhat more than precipitous," because the \$1.50 reduction was far greater than the 90-cent margin between posted prices and the spot price.

"It is a deeper cut than is economically realistic," he said, adding that Citgo might have to reverse the decision if suppliers of crude refuse to sell at the price Citgo is offering.

Spokesmen for Shell Oil, Standard Oil (Indiana), Marathon Oil and Standard Oil of California said their companies were not as of Friday following Citgo's lead, but they said that if their companies were to reduce their posted prices, they would not say so in advance.

A spokesman for Ashland Oil said his company was "considering what to do after Citgo's move."

The price of home heating oil is at its lowest in two years, having fallen by another cent a gallon in the last two weeks, to about \$11.2 a gallon. According to Mr. Lindberg, gasoline prices fell to \$1.21 a gallon last week from \$1.24 in September.

"Oil prices are under pressure right now," said Alvin D. Silber, an analyst at Dean Witter Reynolds. "It's a warmer than normal winter, and that isn't working to the advantage of oil sellers."

Mr. Silber said that if the winter remained warm, other U.S. refiners would probably cut their posted prices, too, but might wait until January.

Mexico Freezes Output

The Mexican state oil monopoly Pemex announced last Thursday that it would freeze crude oil prices and production levels in January in order to support the OPEC pricing policies. The Associated Press reported from Mexico City.

Pemex said that heavy Maya crude would remain at \$25 a barrel.

2 Recent Acquisitions Reflect Citibank's New Interest in Thrifts

By Robert A. Bennett

New York Times Service

NEW YORK — "Traditionally, the only way commercial banks looked at the thrift industry was down our noses," Hans H. Angermueller, vice chairman of Citicorp, said in a speech earlier this year.

But that attitude obviously has changed. The Federal Home Loan Bank Board said Friday that Citicorp had won the bid to acquire New Biscayne Federal Savings & Loan Association of Miami, which has assets of almost \$2 billion.

On Thursday, the bank board announced that Citicorp had won a similar bid for First Federal Savings & Loan Association of Chicago, with about \$4 billion in assets.

And only a year earlier, Citicorp was the high bidder for Fidelity Savings & Loan Association in California, with assets of about \$1 billion that have since grown to \$1.9 billion.

Thus, Citicorp, if it gets approval from the Federal Reserve to complete the acquisitions of First Federal and New Biscayne Federal, would become one of the biggest operators of savings and loan associations in the United States.

Once the purchases are made, the total assets of Citicorp-owned savings and loan associations will total more than \$9 billion. According to Jonathan Gray, an industry analyst with Sanford C. Bernstein & Co., that would place Citicorp among the 10 largest savings and loan associations in the United States.

Citicorp's willingness and ability to spend large amounts of money to acquire thrift institutions is part of a broad strategy to reduce its reliance on foreign activities for its profits.

The strategy was adopted about six years ago when almost 80 percent of Citicorp's earnings were coming from outside North America. Even in those days, when there were few losses or problems with international loans, Citicorp's heavy reliance on foreign lending was causing concern among many investors, placing the price of its stock under downward pressure.

Those concerns have been substantially heightened over the last year by the severe problems that a number of foreign countries are experiencing in paying their debts. Citicorp itself has billions of dollars of loans outstanding to such financially troubled countries as Brazil, Argentina and Mexico.

But the bank has already made considerable progress in diversifying its portfolio and today it says that about 39 percent of its earnings come from North American activities.

The acquisition of First Federal and New Biscayne Federal is an integral part of that strategy. Florida, Illinois and California are large population centers with huge pools of savings that Citicorp can now tap.

And despite its earlier prejudices, Citicorp now believes that it can make a lot of money running thrift organizations. "We think it's good business," Mr. Angermueller said.

First, Citicorp has found that the cost of operating a thrift institution is a lot lower than running a commercial bank. In 1982, for example, operating expenses of the average thrift unit amounted to \$1.46 for each \$100 of assets, compared with Citicorp's costs of \$2.75. In addition, Citicorp found that thrift customers are far more loyal than are commercial bank customers. And that, according to Citicorp, is because the thrift units know how to give better service.

Despite its bullishness about the thrift industry, Citicorp does not

plan to acquire any more savings institutions in the near future, Edwin P. Hoffman, an executive vice president, said in an interview Friday.

"With Illinois and Florida, we're going to have enough to chew for now, so we're going to pause for a while," Mr. Hoffman said.

Acquisition Blocked

A Federal District Court in Connecticut dismissed a suit Friday that would have cleared the way for Bank of New York to acquire Northeast Bancorp. The New York Times reported.

The suit was filed in late July by Northeast, which is based in New Haven, Connecticut, against the Connecticut Banking Commissioner, Brian J. Woolf. It sought to have declared unconstitutional a law permitting only New England banks to buy other New England banks.

U.S., States Miss Claim Deadline

Washington Post Service

WASHINGTON — The Reagan administration and most states failed to file claims before a statutory deadline passed last week, thereby missing a chance to collect millions of dollars from corporations that have dumped toxic wastes, according to several administration officials.

State and federal governments had until Dec. 12 to file certain claims for contamination of natural resources, and the passing of the deadline has prompted a spasm of finger-pointing.

Most agencies blamed the Interior Department, which had been assigned to write rules for the entire government by early 1983 for assessing damage to natural resources. The rules have not yet been written.

CURRENCY RATES

Interbank exchange rates for Dec. 16, including bank service charges

	\$	£	DM	FF	Y	Sc	S	Y	Y
Amsterdam	3.1115	4.409	112.25	6.4695	163.45	2.51	140.0	20.9	20.9
Bremen	3.1115	4.409	112.25	6.4695	163.45	2.51	140.0	20.9	20.9
Frankfurt	3.1115	4.409	112.25	6.4695	163.45	2.51	140.0	20.9	20.9
London	1.4141	—	—	—	—	—	—	—	—
Milano	1.4880	3.2804	—	—	—	—	—	—	—
New York	1.4141	—	—	—	—	—	—	—	—
Paris	6.47	12.00	303.5	—	—	—	—	—	—
Zurich	2.2123	3.1348	79.73	26.125	0.7318	71.135	3.9162	—	22.02
1 ECU	0.8134	0.5745	2.2971	0.8999	1.9444	2.2322	45.7674	1.8912	0.1702
1 SDU	1.0285	0.7214	2.578	0.9799	1.7444	2.2322	58.5455	2.5997	0.4285

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NEW EUROBOND ISSUES

Issuer	Amount (millions)	Maturity	Coupon %	Price	Yield At Offer	Terms
IBF Finance	100	1989	7 1/4	99 1/4	7.54	Private placement.
Olvestri Int'l	100	1991	8 1/4	99 1/4	8.35	Noncallable.
ABN	200	1989	8	99 1/4	8.13	Noncallable. Private placement payable Jan. 18.

Belgian Loan Reportedly Is Well Received

By Carl Gewirtz
International Herald Tribune

PARIS — Bad news for the banks who have been whispering that Belgium's syndicated loan was a flop: it was increased last week to \$800 million from the planned \$600 million.

Bankers who were angry to see the return of such low margins as Belgium's — interest will be set at 8% point over the London interbank rate for the first four years — were spreading the word that managers had chosen to organize the operation as a "chit" loan to mask the poor marketability.

But last Friday, managers were able to scotch those rumors when they announced the \$200-million SYNDICATED LOANS.

In all, 49 institutions, including the seven coordinators, will provide the funds for the eight-year loan.

Managers insist the loan was well received and add that more than \$800 million could have been arranged had the government been willing to accept an even larger amount.

There remained very little new business coming to the market. The Spanish utility Hidroeléctrica Española is raising a seven-year credit, divided into \$180 million and \$55 million.

Interest pegged to Libor will carry a margin of 1/2 point while the dollar portion priced over the prime rate will carry a margin of 3/4 point.

Trans-Tunisian Pipeline Co. has arranged a syndicated loan of \$30 million European currency units, the biggest ECU loan yet syndicated for an industrial borrower. Interest on the eight-year loan starts at 1/2 point over Libor for the first 3 1/2 years and rises to 3/4 over thereafter.

In the Middle East, Qatar Petroleum is expected to be one of the first borrowers to tap the market in the new year. It reportedly will be looking for as much as \$150 million.

But the most interest remains centered on Latin America. Argentina is the focus of most concern as it is widely considered the only major debtor that would risk repudiating its foreign debt. Announcement last week that its new government will seek a six-month delay on payments while it negotiates a rescheduling caused considerable upset for the banks.

Meanwhile, Mexico, which is regarded as the head of the ailing debtors, opened a new money market in 1984 of up to \$4 billion. It is pushing lenders to provide relief in terms of maturity and rate of interest on the new loan. The opening round was not easy, insiders said, with the Mexicans seeking better terms than the 12-bank steering committee representing all lenders appeared willing to concede.

A major question not yet answered is whether Mexico will be seeking to reschedule debts falling due in 1985-87. The 1984 debt has already been rescheduled. Public sector debt due in 1985 totals \$9.67 billion, in 1986 it drops to \$6.9 billion and in 1987 expands to \$13.97 billion.

Consolidated Trading Of NYSE Listings
Week Ended Dec. 14

Volume	Value
1,124,000 shares	\$1,124,000,000
1,124,000 shares	\$1,124,000,000
1,124,000 shares	\$1,124,000,000
1,124,000 shares	\$1,124,000,000
1,124,000 shares	\$1,124,000,000

DEVOL-HOLBEIN INTERNATIONAL, N.V.
54 U.S.S. 13th
As of December 16, 1983
PIERSON, MELDRUM & PIERSON N.V.
Hemweg 214, 1016 BS AMSTERDAM
The Netherlands
Phone (0) 20-211 185 Telex 32116

Market Reacts Badly to M-1 Figure, But Growth Is Still Within Fed Target

By Yla Eason
New York Times Service

NEW YORK — The big increase in the latest figures for the basic measure of the U.S. money supply depressed prices of government securities slightly, pushing up interest rates.

But the credit market's negative reaction was tempered by the fact that the aggregate is still well within the Federal Reserve's target for monetary growth this year.

Analysts said, credit policy is likely to remain unchanged.

The Federal Reserve reported Friday that, as expected, M-1 rose by \$5.5 billion in the financial week that ended Dec. 7.

The increase brought M-1, which measures currency and cash readily available for spending, to \$322.7 billion.

The large increase was attributed to government disbursements such as Social Security checks, and other technical factors that swell the figure at the beginning of each month.

At Merrill Lynch, Economics Inc., Maria Ramirez, an economist, said, "Based on this M-1, I don't think the Fed will opt to change policy."

"Even though the economic data is strong overall, I don't think they will lean toward restraint and policy will probably remain unchanged."

But the banking system's reserve position, tightened somewhat last week, to \$21 billion in net borrowed reserves, from \$40 million in net free reserves the previous week.

The reserve position directly reflects actions by the Federal Reserve and therefore is an important indicator of central bank policy.

Banks are in a net borrowed reserve position when the Fed does not provide enough money to the system to meet their requirements, forcing them to bid for funds and to borrow from the central bank.

Free reserves indicate an easier policy and lower interest rates because the system is flush with money. Although last week's position was somewhat tighter than the previous week's, it was still far easier than the \$152 million in net borrowed reserves two weeks earlier.

Peter Treadway, chief economist at Citicorp, a securities firm, said, "The net borrowed figure did not indicate that the Fed was trying to tighten in some way. It was anticipated bad news."

During tight trading activity before the M-1 release, the slight rally pushed rates on Treasury bills up about 10 basis points lower. Prices on long-term government securities rose by almost half a point. The 10-year Treasury note rose 1/8 point, while the 30-year Treasury bond rose 1/4 point.

Despite the modest price reaction, Mr. Treadway is still concerned that the strength of the economy will put pressure on the Fed to tighten later.

The consensus is that there is still a great deal of worry that the Fed will have to tighten because M-1 growth overall has not been weak," he said.

A decline in the federal funds rate, the overnight cost of interest, was also cited as a positive influence. But analysts also said the market was largely

oversold and that a technical rebound was in order.

After M-1 was released, the price of the bellwether 12 percent Treasury bonds due in 2013 gave up most of its earlier gains, but still sold above Thursday's level.

In late trading Friday, this bond was offered at 104 1/32 for a yield of about 11.94 percent, down from 11.98 percent Thursday. Dealers offered the new two-year note that will be auctioned Wednesday at a yield of 10.93 percent, down from 10.95 percent Thursday.

Rates on short-term issues closed below Thursday's levels. Three-month Treasury bills were bid at 9.13 percent, down from 9.20 percent Thursday, while six-month Treasury bills were bid at 9.24 percent, down from 9.29 percent.

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U.S. Economists Predicting Continued Expansion in '84

By Thomas J. Lueck
New York Times Service

NEW YORK — After a year of robust recovery, with higher growth and lower inflation than had been forecast by most experts, many leading economists predict that 1984 will be a year of continuing, but somewhat slower, economic expansion for the United States.

Several prominent economists said the recovery will sustain its momentum into the first half of next year. Most agreed that the expansion will slow near the middle of 1984, as continuing high interest rates reduce the growth of consumer and corporate spending.

But on balance, the economists said the United States is in for another year of economic well-being. Predictions "can be made with relative confidence because we are in a recovery, we will stay in a recovery and there is no need to call a turning point next year," said John O. Wilson, chief economist for Bank of America.

"I don't see any major segment of the economy moving into a decline," said Lawrence Chimere, chairman of Chase Econometrics. But he added that some important components of the economy, including consumer spending, "will grow more slowly."

A majority of the 15 economists interviewed last week said that the gross national product would grow 4 to 4.5 percent over the next 12 months. Since the end of last year, the GNP has expanded 6.4 percent. GNP is a nation's total output of goods and services.

Most of the economists also agreed that inflation, as measured by the consumer price index, will be higher than during the last 12 months, when it rose only 3.5 percent. But their estimates of how much prices will rise between now and the end of 1984, which ranged from 4.5 percent to 6.2 percent, reflected a consensus that inflation will be far below the double-digit level of only two years ago.

Without exception, the economists said they expect the U.S. unemployment rate at the end of 1984 to be lower than the current 8.5 percent.

The interviewed, representing a wide range of interests and economic philosophies, routinely formulated predictions about U.S. economic performance. These forecasts have often been wide of the mark, but they nevertheless have an important bearing on the spending and expansion plans of corporations and the government.

Normally, the fact that it will be an election year, as 1984 is, would complicate the predictions because

of the prospect of a change of administration and modifications in government policies. But most of the economists said they expect President Ronald Reagan to be re-elected.

Still, one overriding political question, the economists said, is whether Congress and the Reagan administration will move to reduce the federal government's huge budget deficit. If left untouched, they said, the deficit could force interest rates higher and constrain economic growth beyond 1984. But they also agreed that whatever is done on the deficit will do little to slow economic expansion next year.

There is enough steam in the economy to carry us, and Reagan, through 1984," said Walter Heller, of the University of Minnesota, who has endorsed the candidacy of Walter F. Mondale. He added, however, that "the chickens will come home to roost in 1985 and 1986," when economic growth will be severely dampened by the deficit unless it is addressed next year.

The broadest disagreement among those interviewed involved the direction of interest rates. Although none of the economists said they expect rates at the end of 1984 to be drastically different from what they are now, most predicted higher or lower levels.

This disagreement hinged largely on different expectations about the policy of the Federal Reserve Board, which since July has been holding unusually tight strings on the nation's money supply.

"The Fed's monetary policy since July is already setting the course" for the economy in the first half of next year, said Leif Olsen, chief economist at Citibank.

Mr. Olsen said he expects high interest rates, which are buttressed by the tight monetary policy, to begin slowing economic expansion early in 1984. If that happens, he said, the Federal Reserve is likely to reduce those rates by allowing more money to come into circulation. So by the end of next year he expects interest rates to be lower than their current levels.

Others, including Albert T. Sommers of the Conference Board, said the Federal Reserve would come under additional pressure to ease its monetary policy because of the strength of the dollar against other currencies.

But those predicting higher rates said they expected little or no loosening of the Federal Reserve's purse strings. They maintained that most major corporations, now benefiting from increased profits and cash flow, will have little appetite for borrowed money until the middle of 1984. But when corporations

go looking for more credit, they will be standing in line with the federal government, the economists said.

"The result will be a scramble for credit between companies and the government, which of course will be trying to deal with the deficit," said Tor Meloe, chief economist for Texaco Inc. The result, he said, would be rising interest rates at the end of 1984.

Whichever direction the Federal Reserve moves, the economists agreed that sometime next year, the nation's economic engine will begin slowing down.

A burst of spending by manufacturers and retailers, which began rebuilding inventories earlier this year, has now subsided, they said. Housing construction, which has expanded rapidly to a current level of 1.7 million starts a year, or more than 50 percent higher than in 1982, is likely to level off or decline because of continuing high interest rates, the economists said.

And interest rates may also slow the growth of consumer spending. "Consumers will no longer be on a binge," said Avery Haak, chief economist for Dayton Hudson Corp., a major retailer. He added he does not expect consumer spending to decline too much in 1984, but that recent rates of growth will not be sustained.

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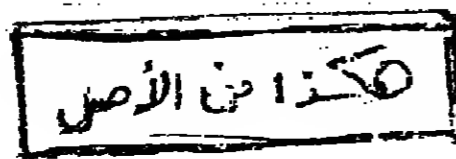
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SPORTS

'Skins Rally, Outlast Giants, 31-22

Compiled by Our Staff From Dispatches
WASHINGTON — The Washington Redskins clinched the National Football Conference East title and the home-field advantage throughout the playoffs Saturday on the final weekend of the regular National Football League season by posting a 31-22 triumph over the New York Giants.

NFL ROUNDOUP

Steelers. Pushing their season point total to 534, they also became the highest-scoring club in league history, breaking the NFL record of 513 set by the 1961 Houston Oilers. The 3-12-1 Giants, 15½-point underdogs, had not scored a touchdown in three weeks. "Nobody thought we would win," said Harry Carson, a Giant linebacker. "Not the people in New York, not the people here. We had nothing to lose."

Redskins ahead, 24-22, before John Riggins sealed the verdict with his 24th TD of the year — breaking O.J. Simpson's season touchdown record, set with Buffalo in 1975. Vikings 20, Bengals 14. In Minneapolis, Tony Galbreath scored on two 1-yard touchdowns runs to pace Minnesota to a 20-14 victory over Cincinnati (7-9) in Saturday's other NFL game. Wade Wilson, making his first start at quarterback for the 8-8 Vikings, completed 16 of 28 passes for 124 yards and one touchdown against the league's top-ranked defense.

Chiefs bombed playoff-bound Denver, 48-17. The Broncos, already assured of a wild-card playoff berth, finished at 9-7. Cardinals 31, Eagles 7. In St. Louis, Otis Anderson ran for 156 yards and a touchdown, and Roy Green caught a 10-yard touchdown pass, to lead the Cardinals to a 31-7 triumph over Philadelphia in a game made treacherous for both teams by cold, snowy weather. Green's three receptions gave him 75 for the season — a Cardinals record. The outcome left the Cardinals at 8-7-1 and Philadelphia at 5-11.

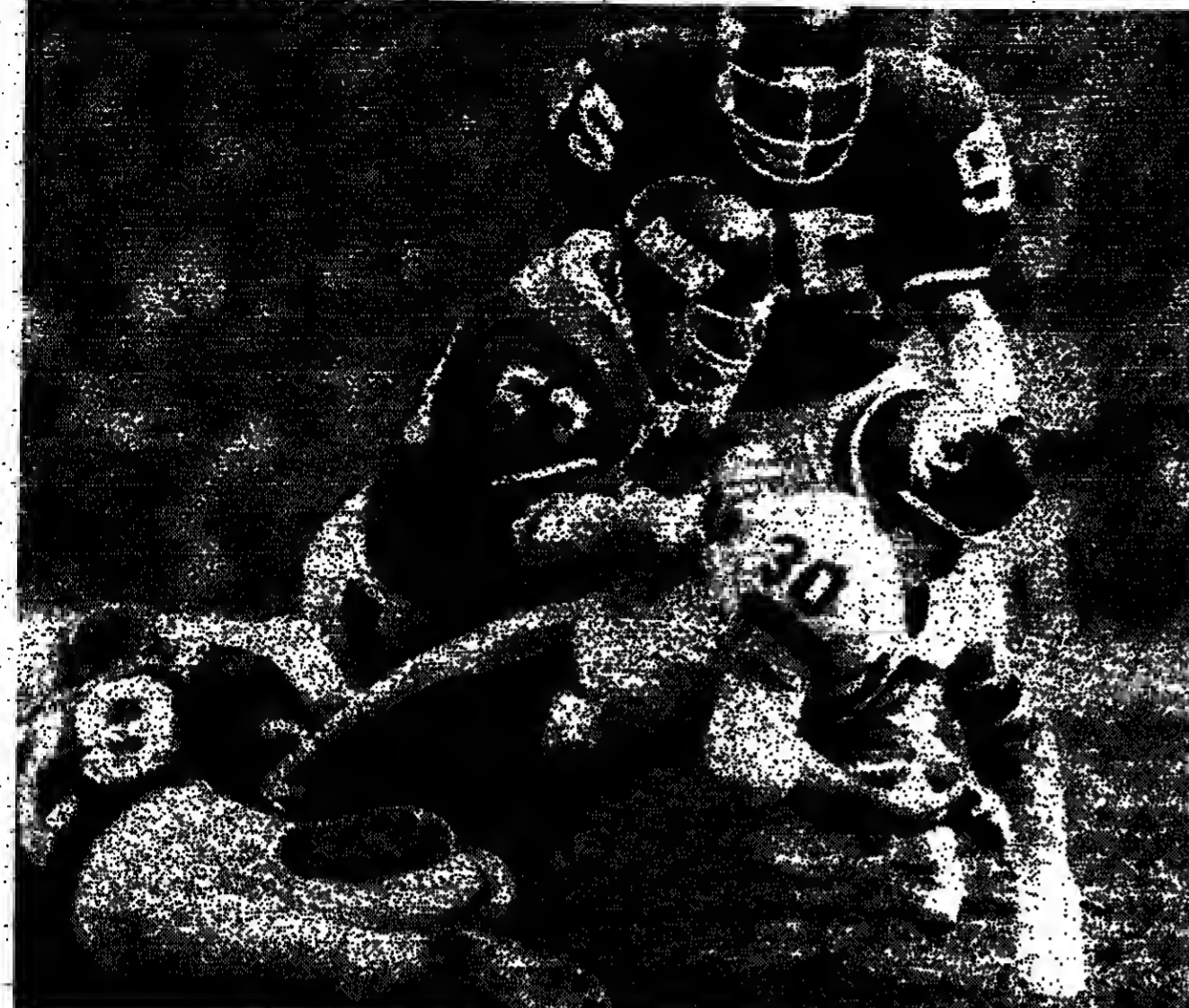
Browns 30, Steelers 17. In Cleveland, Brian Sipe threw four touchdown passes, including a 64-yarder to Rocky Bleck, to beat Pittsburgh, 30-17, and keep the 9-7 Browns' slim playoff chances alive. Sipe completed 14 of 22 passes for 199 yards, including two scoring tosses to Harry Holt and one each to Bleck and Ricky Feacher. For 10-6 Pittsburgh, Franco Harris ran for 56 yards to become the first runner in NFL history to gain 1,000 yards in eight separate seasons. Jim Brown and Walter Payton each had seven 1,000-yard seasons.

Cleveland needed losses by Buffalo and Seattle on Sunday to earn a wild-card playoff berth. Bears 23, Packers 21. In Chicago, Bob Thomas kicked a 22-yard field goal with 10 seconds left, rallying the Bears to a 23-21 victory over Green Bay and knocking Chicago out of playoff contention. Thomas's game-winning capped a drive that came after Green Bay had taken a 21-20 lead on Lynn Dickey's 5-yard scoring

pass to Paul Coffman with 3:08 remaining. Chicago went from its 38-yard line to the Green Bay 5 in 10 plays before Thomas came on. Falcons 31, Bills 14. In Atlanta, William Andrews went over the 2,000-yard mark in rushing and receiving yardage for a record-tying second time and scored three touchdowns as the Falcons downed Buffalo, 31-14. Andrews scored on runs of 10 and 1 yards and on a 6-yard pass from Steve Bartkowski. He rushed for 158 yards on 28 carries and caught seven passes for 49 yards, giving him 2,176 for the year to become the first NFL player to hit 2,000 yards twice since Buffalo's Simpson did it in 1973 and 1975. The loss ended the 8-8 Bills' remote shot at a playoff berth. Atlanta finished at 7-9.

Dolphins 34, Jets 14. In Miami, reserve safety Mike Kozlowski returned interceptions 35 yards and 38 yards for touchdowns during a 59-second span in the fourth period to lift the Dolphins (12-4) to a 34-14 victory over the New York Jets Friday night. The Jets (7-9) had traded scores with the Dolphins through the first three quarters, but Uwe von Schamann put Miami ahead to stay with two field goals before Kozlowski's two touchdowns put the game out of reach.

Mark Duper, the Dolphins' rookie wide receiver, caught four passes for 71 yards to give him 1,003 for the season, breaking the team season receiving record for yardage set by Paul Warfield in 1971. (UPI, WP, AP)



Bill Carrier, left; Harry Carson and Brian Kelly helped running back Nick Giaminto realize the Giants weren't pushovers.

Raeber and Steiner Win World Cup Races

VAL GARDENA, Italy — Urs Raebler of Switzerland won the first race of his four-year World Cup skiing career, a men's downhill, here Sunday. Raebler, whose previous best was a second last year, clocked 1 minute 56.80 seconds down the 3.1-kilometer, (1.92-mile) Saslong course, which had a vertical drop of 760 meters (2,494 feet). Second and third, with respective times of 1:57.41 and 1:57.79, were Canadians Todd Brooker and Steve Podborski. Franz Heinzer of Switzerland, who earlier this month won his first downhill after three seasons on the circuit, was fourth in 1:58.11. Raebler, Heinzer and the two Canadians were the only skiers of the first group to finish high in the race.

Swiss skiers held onto the three first places in the overall men's cup standings. Heinzer has the lead with 77 points. His teammates Tim Zurbriegen and Raebler are second and third, respectively, with 72 and 58. Brooker moved into fourth with 50. In Piancavallo on Saturday, Roswitha Steiner of Austria overcame wind and fog to turn in a strong second run and win a women's cup slalom. At one point, organizers had to

remove the finish line banner after the wind blew it halfway off its moorings. Steiner, third after the first heat, had the fastest second leg down the Saslong track, which dropped 158 meters, for a combined time of 1 minute 34.05 seconds. Poland's Magdalena Tarkenton, fastest in the first run, finished second overall in 1:34.33. Maria-Rosa Quario of Italy (1:34.72) was third. Sunday's downhill "was a real crapshoot, a lottery," Brooker said after making his run in a steady snowfall, which added a soft cover to the artificial snow already laid. "The course would run slow on the flats, then suddenly get fast," he said. "It was very important to have the right skis and wax up there. This was more of an equipment race."

Said Brooker, twice a winner last season: "You've just got to get into your tuck up there and ski crazier than the other guy." Italian Ivan Marzola, starting 58th out of 75, was a surprising fifth in 1:58.16, clocking the fastest time on the upper third of the course. West German Klaus Gattermann was sixth in 1:58.39. American Bill Johnson, second out of the starting but when the snowfall was at its lightest, saw 19 racers overtake him as the course became quicker. "This is frustrating," said Johnson as he watched the race on an outdoor television monitor. "I was hoping to at least get into the top 10."

A Yankee Manager Allowed to Manage? Maybe

By Dave Anderson
New York Times Service
NEW YORK — In explaining his choice of Yogi Berra as the new manager of the New York Yankees, George Steinbrenner used the phrase that Billy Martin couldn't argue with — "for the best interests of the team" — even if it were not for Martin's best interests. Martin also didn't dare jeopardize his Yankee contract, which lasts "almost to 1990," according to the principal owner.

But don't expect Martin to be content for long in his new role as a "top adviser" to Steinbrenner on trades and minor-league prospects. Martin wasn't kicked upstairs to be the general manager, Martin was kicked into a back room where the Yankees hope he won't be seen or heard from too much. With anyone else, Martin's new job might be described as that of a "trouble-shooter" except he doesn't have to search for trouble. It always finds him first.

In the Yankees' latest managerial merry-go-round, Martin was not even granted a formal title beyond being a "top adviser." He now apparently is merely one of what Steinbrenner likes to call "my baseball people" — his inner circle of consultants. But don't look for Martin to be around at spring training in Fort Lauderdale, Florida. "Billy will be scouting the teams who train in Arizona for us," Steinbrenner said. "After that he'll report on every minor league team, so we know exactly what we have down there. And his principal role will be to advise me on trades. If we see somebody we like on the Cubs, for example, Billy will check him out."

That's if Martin doesn't check himself out first to another team as a manager. For all his talk in recent years about wanting to be a general manager for a major-league club someday, Martin is geared to working in a dugout, not in an office. When he had the authority of a general manager with the Oakland A's, he remained in the dugout. In other eras, Casey Stengel and Leo Durocher always stayed in the dugout, just as Berra has always stayed in the dugout as a manager, a coach and now a manager again.



Yogi Berra: Not above reproach, but above abuse.

Don't be surprised if Martin is in another team's dugout as soon as the right job comes along, pending a settlement of his Yankee contract. After his departure from the A's following the 1982 season, Martin was pursued by Gabe Paul, the Cleveland Indians' president, before he succeeded Clyde King as the Yankees' manager. "This is a real fine opportunity for us now," said Martin's attorney, Eddie Sager, at Steinbrenner's semantics seminar on Friday. "If something comes along, we'll entertain it."

Standing above his shiny round desk, Steinbrenner was saying one minute that Martin will "always" be with the Yankees and the next minute that "I'd never stand in his way" if another team requested permission to inquire about his availability as a manager. "This is a real fine opportunity for us now," said Martin's attorney, Eddie Sager, at Steinbrenner's semantics seminar on Friday. "If something comes along, we'll entertain it."



Roswitha Steiner, racing to victory through Saturday's wind and fog in Piancavallo, Italy.

Chandler, on TKO, Keeps WBA Title

Compiled by Our Staff From Dispatches
ATLANTIC CITY, New Jersey — Jeff Chandler retained his World Boxing Association bantamweight title, and avenged the only loss of his career, here Saturday when he stopped Oscar Muniz 23 seconds into the seventh round of a scheduled 15-round bout. Chandler, upset by Muniz in a non-title fight last July, opened a cut above the challenger's left eye in the second round and used his 4½-inch reach advantage until referee Vincent Rainone stopped the bout after examining the gash. Chandler had won four of the first six rounds on all three official scorecards.

It was the ninth title defense for the 27-year-old champion, who boosted his record to 33-1-2 with 18 knockouts. Muniz fell to 37-4-3 with 22 knockouts; his three losses have all come on split decisions. Muniz came out aggressively in the first round, but Chandler staggered him three times with combinations in the round. Chandler went to work on Muniz's head in the second round, opening a cut above the challenger's eye. Muniz retaliated late in the round, however, and caught Chandler with a body barrage midway through the third. But Chandler continued to land effective shots to Muniz's cut eye.

In the fourth round, blood covered the left side of Muniz's face and Chandler opened a cut on the challenger's right cheek with solid left hands. Muniz fought gamely from that point until Rainone called a halt to the fight. Chandler, who had only two amateur bouts, took the championship in his 25th professional fight when he knocked out Julian Solis in November 1980 to become the first U.S. boxer in 30 years to capture the title in the 118-pound division. Muniz scored a 10-round split decision over Chandler in their previous bout, in which Chandler spent part of the time clowning. Muniz catapulted himself to the WBA's No. 3 ranking after that bout. (AP, NYT)



SLIDING SAVE — Marc Behrend of Team USA slid across his goal to stop Sergei Pryakhin of the Soviet Selects in Friday night's game in St. Louis. Behrend stopped 28 shots as the U.S. team won, 4-3, for a 3-1 lead in the six-game exhibition series. Pat LaFontaine scored twice and assisted on goals by his linemates, David A. Jensen and Ed Olczyk. Anatoli Stapenischev, Sergei Odintsov and Evgeni Shlepa replied for the Soviet team.

Tennessee Downs Maryland, 30-23, In Citrus Bowl

ORLANDO, Florida — Johnnie Jones ran for 154 yards and two touchdowns Saturday night to lift Tennessee to 30-23 Citrus Bowl victory over Maryland, which played most of the game without injured quarterback Boomer Esiason.

Esiason, a senior who led Maryland to an 8-3 regular season record and the Atlantic Coast Conference title, suffered a separated right (his passing arm) shoulder on a tackle in the second quarter and did not return. Reserve quarterback Frank Reich and kicker Jess Atkinson kept the Terrapins close, but Jones, a junior tailback, scored on dives of 1 and 2 yards in a span of 2:03 at the start of the final period to give Tennessee a 30-20 advantage. The winners' other scores came on a 12-yard touchdown pass from Alan Cockrell to Lenoy Taylor, a 19-yard run by fullback Sam Henderson and a 25-yard field goal by Fuad Revez.

Jones, the only single-season 1,000-yard rusher in Tennessee history, carried 29 times for 154 yards. He gained 1,116 yards in 1983 and led the Southeastern Conference with an average of 111 per game. Atkinson kicked five field goals, and fullback Rick Badanjek scored Maryland's only touchdown on a 3-yard run midway through the third quarter.

Illinois Double Winner

Southern Illinois capitalized on eight turnovers, including four interceptions by Gregg Shipp, to crush Western Carolina, 43-7, Saturday for the NCAA Division I-AA football championship, UPI reported from Charleston, South Carolina. And in Fresno, California, Darryl Richardson scored on runs of 3 and 4 yards and Lon Wicks rushed for 119 yards to lead Northern Illinois to a 20-13 victory over Fullerton State in the California Bowl.

NBA Standings

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Atlantic Division				Midwest Division			
Team	W	L	Pct.	Team	W	L	Pct.
Philadelphia	18	5	.783	Utah	14	18	.438
Boston	16	7	.692	Dallas	11	21	.344
New York	14	18	.438	Denver	11	21	.344
New Jersey	12	11	.522	Kansas City	11	21	.344
Washington	12	13	.481	San Antonio	11	16	.405
Central Division				Pacific Division			
Team	W	L	Pct.	Team	W	L	Pct.
Atlanta	15	18	.455	Portland	18	8	.692
Chicago	12	13	.481	Los Angeles	15	7	.682
Indiana	12	13	.481	Seattle	12	15	.444
San Antonio	11	16	.405	Golden State	12	14	.464
Phoenix	9	19	.321	Phoenix	18	10	.643
Cleveland	8	19	.296	San Diego	8	18	.308
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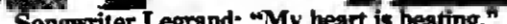
The Upscale Euphemism

So far, so phony; it's not a real invitation: it's a solicitation using the president's name. But direct-mail solicitors have a certain responsibility to observe the formalities when they presume to go formal. The GOP fund-raisers start with a gaffe on the envelope: "R.S.V.P. Requested." Inside, on the left margin, the gaffe is compounded: "The R.S.V.P. is compulsory." The R.S.V.P. is not compulsory. It is a courtesy. It is a request. It is a suggestion. It is a hint. It is a nudge. It is a wink. It is a smile. It is a nod. It is a shrug. It is a shrug.

Meg Greenfield, the Newsweek columnist who conducted the successful campaign to stamp out watershed, is leading the anti-virtually crusade. Victory is almost certainly, all but surely, assured.

The Scores of Scores of Michel Legrand

Writing is something that has occupied Legrand for close to 30 years, since he graduated from the Paris Conservatory — with top honors in piano composition. Son of a popular Parisian pianist and conductor, Legrand had entered the conservatory at age 11, eventually studying with Hen-



And of course there's always "What Are You Doing the Rest of Your Life" from that never-popular "The Happy Ending."

"That song has had a long life," says a satisfied Legrand. "Someday its publishing royalties may outgross the film."

TOKYO POSTCARD
The Wandering Admen

the past, but I'm not aware that we have any contact with them now," he sniffed an executive at Tokyo-based Denso, the world's largest advertising firm. "*Chindonya* are generally associated nowadays with porno shops and pachinko (pinball) parlors, and these are not our typical clients."

first in the Toyama contest since anyone. "I couldn't make a living at it anymore," Uchida is now a teacher of *buiko*, traditional Japanese dance. His only son became a banker.

Oot insists that he still makes a living as a *chinkonyu*, but laments "We're a dying breed. Nobody wants to put on makeup and wear the wig any more. It's bad form. They'd rather wear a suit and tie and get a respectable job."

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